Insight Development Consulting Group (P) Ltd.

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Registered Office: IDCG, Second Floor, 113A ShahpurJat, New Delhi 110 049

Banking on Change Endline Evaluation Report

**Final Report**

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**January 2016**

Insight Development Consulting Group (P) Ltd.

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# Executive Summary

Banking on Change, a partnership between Barclays Bank, CARE UK and Plan UK was established in 2009 to deliver a savings-led microfinance programme with the aim of improving the financial inclusion of people in 11 countries across Africa, Asia and South America. Using a savings led microfinance methodology, BoC Change mobilised individuals into savings groups so they could save regularly, and in turn borrow small amounts at a fair rate of interest.

In the ongoing Phase 2 of BoC, the partnership has used the same methodology as a springboard for a more focused, in-depth, programme targeted at young people. The specific aims for Care India as the implementing partner for BoC Phase II are to :

* Operate in the extremely poor areas of Tamil Nadu reaching out to new youth beneficiaries while investing in strengthening the financial literacy skills of beneficiaries from Phase 1 to supporting women with skills to start businesses.
* Provide an expanded range of in-depth financial literacy, employability and entrepreneurship skills training to over 330,000 beneficiaries.
* Support the establishment of income-generating activities and small businesses that will be sustained over the course of the programme.
* Reach out to 33,800 direct beneficiaries, 2,421 groups, of which 1,300 new young people will be reached through 100 groups.

The objectives of the end line evaluation was to examine the extent to which the ‘Banking on Change Project’ met its overall goals of improving the quality of life for poor women by providing a range of trainings, supporting income generating activities and linking savings groups to formal financial sector for improving their access to finance.

Through a combination of qualitative and quantitative research, the present assessment has tried to see how the programme has been able to perform in terms of:

* Improvement in financial awareness and financial literacy of community and group members on importance of savings, accessing services of formal financial institutions, and institutional credit for improved economic and social choices.
* Change in the Knowledge, Attitude, and Practices (KAPs) of members with regard to household and livelihood-related financial and investment decisions.
* Ability of the group members to graduate to productive employment options, including enterprise development.
* Extent of political participation, awareness about governance issues, and change in the social position of the members due to association with the programme.
* Assess the overall change in the quality of life of the programme beneficiaries (SHG members) that can be attributed to the present intervention.

The current end-line assessment follows a before-after design and heavily relies on large-scale quantitative surveys of programme beneficiaries before and after the programme intervention through an ‘identified respondent survey’. Findings from these household-level surveys have been triangulated and reinforced through qualitative assessments carried out in the form of guided Focus Group Discussions (FGDs) with pre-identified set of stakeholders from the interventions districts who were also part of the identified respondent surveys.

Based on the available baseline data for BoC Phase II, the scope of work included covering 2 blocks each in the three districts of Nagapattinam, Cuddalore, and Kancheepuram. While there were some overlaps in the location of the Carry Over and New Youth SHGs in these six blocks, approximately 52 villages were covered as part of the field survey for the endline assessment.

Based on this the total sample size was identified as N=890 which was further segregated by categories of respondents into Carry Over VSL members (N=669) and New Youth VSL members (N= 221). Using the Sample proportionate to Population the sample was further broken down per district into the following:

|  |  |  |
| --- | --- | --- |
| Sl. No | Districts | Sample Size (N) |
|
| 1 | Nagapattinam | 420 |
| 2 | Cuddalore | 278 |
| 3 | Kancheepuram | 192 |
| Grand Total | | 890 |

Since 98.5 percent of the SHG members/respondents were women, no consideration was given to ensuring a gender balance in the respondents covered through the endline. As shared in the earlier section, as per the methodology shared by the Care India team with IDCG, there was no scope for making any changes in it as the same exercise was being conducted across countries and interventions.

For the Focus Group Discussions, since they were conducted for the first time in the project, the guidelines provided by the Global BoC team on the conduct and participant identification was followed by IDCG. This included segregating group members across Carry Over and New Youth between those below 24 years of age and those above it. As there were no male members in the groups no gender segregation of groups was done by gender in the case of Care TN BoC Phase II FGDs. Additionally, the number of FGDs conducted per district were in proportion to the number of participants surveyed per district. The selection of participants for the FGDs was subject to their fulfilling the age criteria, willingness of the members to travel to a common venue to participate in the FGDs.

The sample size remained the same between the baseline and the endline as was decided by the Global team and as communicated to IDCG. The following was the final status of the Data Collection and FGDs after the completion of the fieldwork.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Type of Groups** | **Nagapattinam** | | **Cuddalore** | | **Kancheepuram** | | **Total** | | **Total Sample** |
| **Covered** | **Dropouts** | **Covered** | **Dropouts** | **Covered** | **Dropouts** | **Covered** | **Dropouts** |
| **Carryover** | 334 | 4 | 185 | 15 | 129 | 2 | **648** | **21** |  |
| **Youth Groups** | 80 | 2 | 76 | 2 | 59 | 2 | **215** | **6** |  |
| **Total** | 414 | 6 | 261 | 17 | 188 | 4 | **863** | **27** | **890** |
| **Grand Total** |  | 420 |  | 278 |  | 192 |  |  | 890 |

The Key Findings of the Endline Evaluation are:

1. A high proportion of the members were literate when compared to the average national literacy and is in line with the high female literacy levels in the project area. Nearly 85 percent of the respondents of both carry over and new youth are literate. Out of this 55 percent either have a university degree or have a secondary education. Remaining 45 percent have only been educated up to primary levels. About 15 percent of the respondents had never attended school.
2. Nearly 90 percent of the family members in the school going age were attending school/college, suggesting an emphasis on the importance of education in these families and the willingness to spend on education- as is evidenced from the fact that nearly 26 percent family members from carry over group and 35 percent from new youth group are studying in private schools- which are costlier than government schools that offer subsidized education.
3. In terms of distribution of occupation among the family members of the respondents- more than 90 percent of members across both carry over and new youth are productively engaged either in education or gainful employment. Only 9 percent members are unemployed.
4. There was mixed response on whether members felt they had a better access to health now as compared to the past. Carry over members felt access has improved - 90 percent reported improvement during endline as compared to 80 percent during baseline. Among New Youth 86 percent felt they had better access as compared to nearly 90 percent who reported better access during the baseline.
5. There has been an increase in the medical expenses incurred on self from baseline to endline. Also, the propensity to seek health services has increased among the carry over group respondents. There was also a consistent increase in cumulative health expenditure of the entire family during this period. There was a marginal increase in health expenditure on self among New Youth group, greater contribution of members on the health expenditure of family members and a rise in the cumulative health expenditure of the family. This suggests a higher awareness on the importance of health and probably some investment in preventive health across both the categories.
6. Leadership opportunities have been created in the groups as is reflected from the fact that in case of new youth households 8.1 percent became leaders and 8.8 percent of carry over members became leaders of their respective VSL groups. This suggests that there has been a change in the leadership across several groups during Phase II intervention. This may be related to the fact that members realised that they needed more effective leaders to lead the group and hence effected a change.
7. Regarding intra-household decision making, members shared that their role in decision making within the household had increased since the time of baseline among both the categories and a proportionate decrease in the influence of parents and spouses, which is a positive outcome.
8. On the indicator related to economic empowerment of the members, increase in freedom to spend income from their business was reported by members of both groups, slightly higher by the New Youth respondents. The number of members reporting greater freedom nearly doubled since the baseline in both groups. The same trend was observed in the role of women on food related household decisions- with those reporting a high role increasing by 15 percentage points among carry over and a three-fold increase in those reporting high role among new youth respondents.
9. A large number of respondents reported having progressed out of poverty. Only 3.8 percent carry over and 3.3 percent new youth still being under $1.25 per day poverty line. However this trend seems to stop here. In the higher income thresholds- $1.88 and $ 2.25, there has been a decline since the baseline which is difficult to explain.
10. While attribution for poverty reduction role of the project is difficult to establish, especially in light of other anti-poverty strategies being implemented by governments, it is evident from FGD responses that the reported growth in income has contributed positively towards meeting household expenses. Increase in economic self-sufficiency of VSL members, as well as the fact that almost all members engaged in income generating activities have reported profits points towards lessening financial burden on households suggest that decline in poverty could be partly attributed to BoC interventions.
11. Overall housing conditions have also improved during the project period for most households- in terms of type of energy used, source of cooking fuel, individual toilet facility, quality of material used for walls and roofs of houses across both the categories of groups.
12. The impact of the project in terms of reducing the financial anxiety of the members seems to have been minimal. Very few members reported a positive change. For the new youth group, the financial anxiety of members who constantly or frequently worried about money increased by 14.7 percent, while there was a marginal decline in case of carry over groups. The anxiety was highest in case of respondents from rural – agrarian Nagapattinam and lowest for the peri-urban Kanchipuram district. In absolute terms, the new youth members reported lesser financial anxiety at endline as compared to their carry over counterparts. They also reported lesser problems in meeting their monthly household expenses as compared to the carry over groups across the 3 project districts. This was also corroborated during the FGDs with the respondents.
13. The percentage of households that went without food for at least a day in the past one year increased from baseline to endline for both carry over and new youth households. This is despite the fact that there has been an overall improvement in other indicators of well-being like investments in education, health and quality of food consumed.
14. 43 households from carry over group and 24 from new youth reported experiencing hunger for at least a day during endline- up from 41 and 8 respectively. On the other hand percentage of carry over households reporting having three meals a day regularly went up from 88.7 percent to 92.7 percent. Corresponding figure for new youth was from nearly 70 percent to over 90 percent during endline.
15. In terms of occupation, for both carry over and new youth members there has been a noticeable decline in percentage of farm workers and marked increase in the number of casual labourers. The trend is more positive in case of New Youth where the proportion of respondents reporting no occupation has remained the same while higher employment has been reported in stable/paying sectors like formal and non-formal employment, petty trade, In case of Carry Over, the only silver lining is that a greater number of women are now reporting engagement in petty trade, handicraft making and employment in non-formal sector and other occupations. Overall, the New Youth group members seem to have benefitted more as compared to those who have been associated with BoC since a longer time.
16. On educational attainment, new youth members are in a better position than the carry over group with nearly 44 percent having achieved secondary or higher education compared to 29 percent in carry over group. This goes with the previous trends which showed that the achievements of New Youth group member have been better in terms of assets, occupation, and financial stability.
17. In terms of awareness on child rights, members had a highest recall for children’s right to education. While the percentage of members who recognized that children generally have rights of their own has decreased, awareness regarding what specific rights should children enjoy has increased since the baseline for both the categories.
18. On involvement in business activities, for carry over groups, share of members engaged in business increased from 6.5 percent to 39.8 percent and for new youth groups the increase was of 32 percentage points. This shows that the BoC intervention, especially access to loans have enabled members to start own business.
19. The favourite business activity for women of both carry over and New youth groups is dairying and livestock rearing apart from tailoring and flower vending. Nearly two-thirds of respondents engaged in business activities from carry over groups and over half from new youth groups reported having invested additional funds into their business over the past one year. The profitability of these businesses can be estimated from the fact that 97.4 percent carry over group members and 96 percent new youth members engaged in business reported having earned profits in the past one year-something which was further validated by the members during the group discussions at different locations.
20. About 52.4 percent of carry over members and 57.4 percent of new youth members reported having purchased assets for their business / income generation. Most assets (both productive and consumption) have been purchased by agriculture workers followed by the unemployed. In case of Carry Over most productive assets have been purchased by agricultural workers, unemployed and casual labourers while in case of New Youth by agricultural workers, unemployed, livestock herders, and students. This seems to defy normal logic which says that those engaged in some enterprise would have a higher tendency to purchase productive assets. Another contradiction is that across both groups all employment categories which should have invested in productive assets- petty traders, self-employed, pastoralists and farmers – have actually purchased consumption assets. Segregated by asset type nearly two thirds of the assets purchased during the past one year have been for consumption and only one-third for productive purposes. The most favoured asset being livestock, jewellery and mobile phone.
21. Members have been contributing to the house rent and repair across categories, though far less for repair. With the exception of new youth members which saw a steep decline in their contribution to house rent since the baseline (20 percentage points).
22. Spending on self seems to have decreased across both the categories of groups- with women spending lesser on their education and clothing and an increase in their cumulative spending on clothing for the household.
23. In terms of savings habit, 60 percent of carry over members save through SHG while 67 percent new youth members save through the SHG. Around 25 percent carry over and 20 percent of new youth members also saved in their bank accounts.
24. The average savings of carry over and new youth members were INR 8,954/- and INR 4596/- respectively- carry over members have almost twice as much savings as that of new youth members probably since they have been saving for more than 5 years now.
25. Nearly 80 percent carry over respondents and 76 percent new youth had currently taken a loan - with the average loan per carry over and new youth members being INR 26,573/- and INR 24,453/- respectively. Most of these loans were either taken from the group or bank, though in some cases other informal sources like moneylender and friends/family were also reported. These could either be old loans still not settled or those taken afresh to fulfil credit needs that cannot be addressed by the group/bank. For both the groups the loan amount was primarily used on children’s education, house repairs, and for medical expenses.
26. There is better financial literacy and better business sense among the women. Nearly 90 percent respondents consider the interest rate as their primary concern, followed by repayment period, their ability to repay, reputation of lender, and penalties for default as the criteria for availing loans. They showed better awareness on the elements to be factored for determining the price of their goods and consider potential customers, market size, cost of capital and skills as important pre-conditions for starting a business.
27. Social and political participation across both categories of groups has significantly increased since the beginning of the project- number of respondents admitting higher participation increased from 27 and 17 percent to 90 and 92 percent, respectively, among carry over and new youth during endline. This is accompanied by an improvement in the self-esteem of the respondents for both the categories.

# 1. Introduction

## 1.1 Background

India, which till now was known to be living in its villages, stares at an opposite image of itself in next two decades- one that lives primarily in cities and towns. This trend is clear from the 2011 national census which reveals that the urban population growth rate is 1.8 times that of the overall population and 2.6 times more than that of the rural population. Given the high urban population growth rate, it is projected that by 2030, India would be 41 percent[[1]](#footnote-2) urban (575 million people in urban areas), compared to 28 percent (286 million people in urban areas) at present. Economic development and urbanization are closely linked, and unlike in the past, is now being considered a positive indicator of economic growth. Cities contribute over 55 percent to the country’s GDP. Rapid urbanisation brings with it a disturbing change: urbanisation of poverty. As per the latest NSSO data, there are over 80 million poor people living in the cities and towns of India.

CARE International has been working with the poorest communities in the world to promote innovative solutions for making lasting changes in the lives of people that it serves by strengthening their capacity for self-help, providing economic opportunity, delivering relief during emergencies, influencing anti-poverty policies at all levels and addressing discrimination in all forms. For delivering on this international mandate, CARE International Confederation is working in more than 90 countries for a world where people live with dignity and security.

In line with the global confederation, CARE India also focuses on ending poverty and social injustice through well planned and comprehensive programmes in health, education, livelihoods and disaster preparedness and response. Their overall goal is the empowerment of women and girls from poor and marginalised communities leading to improvement in their lives and livelihoods. CARE India extensively works on alleviation of poverty and social exclusion by facilitating empowerment of women and girls from poor and marginalised communities. Its recent experience of working on urban poverty found that microfinance has much scope for ameliorating the condition of urban poor as it empowers women who suffer disproportionately from poverty, improves their access and creates efficient provision of savings & credit which enables them to manage their consumption needs, handle their risks better, build assets, develop micro enterprises, and enhance their income earning capacity.

The current assessment is the terminal evaluation of the impact of these Micro-finance led interventions of Care India in the 3 project districts of Tamil Nadu where the project was implemented between 2009 to 2015 period, in two phases.

## 1.2 Objectives for End line Evaluation

The objectives of this end line evaluation are to examine the extent to which the ‘Banking on Change Project’ met its overall goals of improving the quality of life for poor people by providing a range of training, supporting the establishment of income generating activities, and by linking savings groups to the formal financial sector, thus improving their access to financial resources.

Through a combination of qualitative and quantitative research, the present assessment has tried to see how the programme has been able to perform in terms of:

* Improvement in financial awareness and financial literacy of community and group members on importance of savings, accessing services of formal financial institutions, and institutional credit for improved economic and social choices.
* Change in the Knowledge, Attitude, and Practices (KAPs) of members with regard to household and livelihood-related financial and investment decisions.
* Ability of the group members to graduate to productive employment options, including enterprise development.
* Extent of political participation, awareness about governance issues, and change in the social position of the members due to association with the programme.
* Assess the overall change in the quality of life of the programme beneficiaries (SHG members) that can be attributed to the present intervention.

As per the scope of work, under the quantitative assessment **221** new youth members and **669** carry-over members were to be covered by the endline, whereas the qualitative study had to cover nearly 100 individuals belonging to the Carry-Over group **(10-12 FGDs)** and about 50 New Youth members through the End-line Focus Group Discussions**(5 - 6 FGDs).**

In the end-line evaluation two distinct categories of participants were covered:

1. **Carry-Over Baseline/Endline Survey Participants:** SHG members who formed part of BoC Phase interventions and are continuing as participants under Phase II of the programme.
2. **YSHG Baseline/Endline Survey Participants:** New Youth SHG members who were added to the BoC programme during BoC phase II of the interventions.

The objective was to understand how interventions under Phase II of the programme have impacted the different set of stakeholders with respect to the parameters listed above.

## 1.3 Baseline and Endline Survey- Brief Description

The present assessment was based on a ‘*same-respondent survey*’, in the sense that all the participants who had been covered during the Baseline for Phase II of the programme were identified for administering the endline survey. In order to ensure comparability and a precise measurement of the longitudinal impact of the interventions the same survey tools (structured interview schedule) was used for the endline evaluation.

The assessment tried to capture the changes attributable to the interventions at three levels- changes in the knowledge and perception about financial literacy, behavioural changes among the respondents as a result of their improved understanding about the importance of financial inclusion, and lastly, changes in the intra-household and societal position of the women in case there was an improvement in their access to financial resources due to savings or graduation to income generation/ entrepreneurial activities.

While the tools applied during the baseline and endline corresponded during the analysis the respondents were segregated between those who had been beneficiaries of Phase I of the intervention (carry over respondents) and those who were included only in the second phase (new youth respondents) to see the differential impact of the interventions due to the longer association and higher project investments made on the carry-over groups.

For further validation of the endline results through a qualitative assessment focus group discussions were also conducted with a select group of respondents to see the coherence in their understanding and responses during private interviews and small group discussions.

# 2. Programme and Country Context

## 2.1 Country and Sub-National Context

India, the world's largest democracy, has a very diverse population, geography, and political economy. After gaining independence, India started the process of rebuilding its economy through Five Year Plans which set the five years priorities and provided a focus to the Indian economy.

India is now into its Twelfth Five Year Plan Period (2013-2017) that focuses on greater inclusive growth for all so that the present inequity among communities and regions in terms of benefiting from the fruits of development and growth is reduced and there is equitable access to all over resources and opportunities. The current National Development Priorities of India are related to improving the Financial Inclusion of poorest of the poor to bring them into the mainstream of formal financial services by increasing their access to financial/banking services and bring the much needed credit closer to the people who need it the most.

However, on several fronts the performance of India is not so encouraging. Despite all the targeted interventions and initiatives, India’s Human Development Index (HDI) score was 0.547 in 2011, and in terms of rank India was at 134th position out of 187 countries. HDI is a composite index of GDP per capita, literary rates (percent), combined gross enrolment ratio (percent), and life expectancy at birth (years). HDI puts people at the centre of the development agenda, and economic growth and wealth are considered as means to development, not an end by itself.

Figure 1: Percentage of Population Below Poverty Line as per Tendulkar Methodology (2011-2012)

Reducing poverty is a key element in India's inclusive growth strategy, and there is some progress in that regard. In 2011-12, India had 270 million persons below the Poverty Line compared to 407 million in 2004-05, that is, a reduction of 137 million persons over the seven year period. For 2011-12, for rural areas the national poverty line is estimated at INR 816 per capita per month while for urban areas the poverty line stands at INR 1,000 per capita per month. These poverty lines vary from state to state because of inter-state price differentials.

Urban Poverty is one of the most critical problems of urban development today. The percentage of people below the Poverty Line in 2011-12 has been estimated at 13.7 percent in urban areas, 25.7 percent in rural areas and 21.9 percent for the country as a whole.

Considering India's progress out of poverty and global standing in terms of HDI, we need to pay particular attention to the needs of women and children, who account for 70 percent of the population. They thus deserve special attention in terms of the reach of relevant schemes in various sectors. Minorities and other excluded groups - SC/ST and OBC population also need special programmes to bring them into the mainstream. Achieving inclusiveness in all these dimensions requires multiple interventions from government, public and private sectors, and NGOs. Success depends not only on introducing new policies and government programmes but also on institutional and attitudinal changes. BoC project is one such effective microfinance initiative focused on and led by women to address household poverty in the urban sector. The initiative will also address various root causes of poverty, such as gender inequality and disparity.

Realising the need for bridging the financial divide in the country in terms of financial access, the Government of India recently launched the *Pradhan Mantri Jan Dhan Yojana* (Prime Minister’s Financial Inclusion Programme) which aims to address various aspects of financial exclusion and access to formal finances through the following:

In the last one year the government has been able to open bank accounts of more than 17 crore (170 million) individuals who did not have access to formal banking system in the past, thereby bring finance and finance led opportunities closer to people at the bottom of the pyramid. The current intervention of Care India on BoC is in line with the national priorities of bringing the economically and socially marginalised communities in the mainstream of economic growth so that they can take advantage of bank linkages for rising above poverty in a sustainable manner.

**SUB- NATIONAL CONEXT - TAMIL NADU**

The southern-most state of India, Tamil Nadu is among the better off states in terms of NSDP, per capita income, levels of poverty, literacy rate and health indicators. The percentage of people below the Poverty Line in 2011-12 was estimated at 11.3 percent, about 6.5 percent in urban areas and 15.8 percent in rural areas.

As per Census 2011, Tamil Nadu has population of 72.1 million, an increase from 62.4 million in 2001 census, of which male and female are 36,137,975 and 36,009,055 respectively. The total population growth in this decade (2001-2011) was 15.61 percent while in previous decade it was 11.19 percent. The population of Tamil Nadu forms 5.96 percent of the total population of India in 2011, though there has been a decline in the decadal population growth rate in this decade as compared to the National average.

Literacy rate in Tamil Nadu has seen an upward trend and is 80.09 percent as per 2011 census. Of this, male literacy stands at 86.77 percent while female literacy is at 73.44 percent. In 2001, literacy rate in Tamil Nadu stood at 73.45 percent of which male and female were 82.42 percent and 64.43 percent literate respectively. While the gender gap in literacy has reduced between the two decades, the gap is still nearly 13 percent, one of the highest among all states. This shows that despite good educational attainments of the citizens there is a significant difference between the literacy status of men and women.

Sex Ratio in Tamil Nadu is 996 i.e. for each 1000 males, which is higher than the national average of 940 as per census 2011. In 2001, the sex ratio was 987 per 1000 males in Tamil Nadu, showing an improvement in the access of health care services for the girl child and women in general- a positive indication of engendering of development in the state

There are a total of 27,878,282 workers, comprising 4,738,819 cultivators, 6,062,786 agricultural labourers, 1,261,059 in house hold industries, 11,695,119 other workers, 4,120,499 marginal workers, 377,220 marginal cultivators, 2,574,844 marginal agricultural labourers.

The state was ranked sixth among all major states of India on the Human Development Index in 2011.Tamil Nadu is also the second largest state economy in India and in the year 2014-15 its GSDP was [₹](https://en.wikipedia.org/wiki/Indian_rupee)9767 billion (US$150 billion), at a growth rate of 14.86 percent. Services contribute 45 per cent to the economy, followed by manufacturing at 34 per cent and agriculture at 21 per cent. The per capita income at current price (2004-05 base year) is ₹ 72,993 per annum, much higher than the national average. It has the highest number (10.56 per cent) of business enterprises and stands second in total employment (9.97 per cent) in India, compared to its population share of about 6 per cent. It was ranked as the third most developed state of India on the "Multidimensional Development Index" according to a 2013 National Report by the Reserve Bank of India.

A significant part of the rural population is engaged in agriculture, while a significant urban population is involved in the services and manufacturing sector. With one of the best proportion of women engaged in the manufacturing sectors among all states, Tamil Nadu’s industrial profile includes sectors like food processing, processing of marine resources- owing to its huge coast line, automobile sector, mineral based industries, pharmaceuticals and engineering, leather-based industries and textiles/garments- where a significant number of women from urban and peri-urban areas are engaged. Entrepreneurial training is provided to women entrepreneurs under the state scheme on training women on entrepreneurial skills implemented by the Industries and Commerce Department. Apart from this incentives and subsidised credit is also provided to women entrepreneurs for starting their business- both for setting up business capital expenditure as well as working capital subsidy.

In terms of financial access the Credit-Deposit ratio of the State continues to be above 100 percent- at 113.75 percent. Priority Credit stands at 43.92 percent, while Agricultural Advance stands at 18.32 percent. The share of credit flow to women in the State constituted 12.05% of total Bank credit against the national norm of 5 percent. Under credit flow to minority communities the achievement is 11.52 percent against the national norm of 15 percent of Priority sector advances. (TNSLBC)

## 2.2 Introduction to the Project Area

The project area for Care BoC comprises of two blocks each of Kanchipuram, Cuddalore and Nagapattinam districts of Tamil Nadu.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Districts** | Nagapattinam | | Cuddalore | | Kanchipuram | |
| **Blocks** | Vedaranayam | Thalainayar | Kattumannarkoil | Srimushnam | Thiroporur | Kattankulathur |

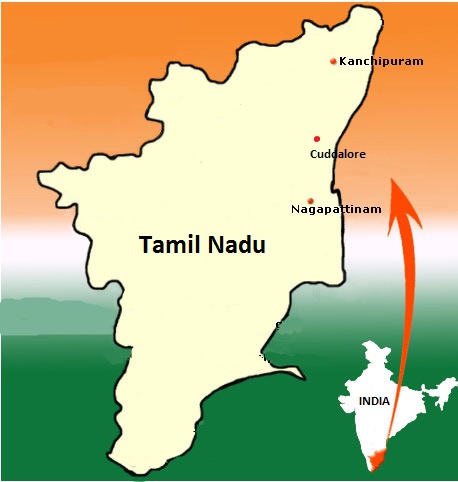
**The following figures present the location of Tamil Nadu within India and location of project districts within Tamil Nadu.

Figure 2: Location of Tamil Nadu within India

Figure 3: Location of Project Area within Tamil Nadu

While Tamil Nadu along with Kerala is among the states leading efforts for universal financial inclusion of its population, none of the project districts is among the top 10 districts of the state with respect to achievements in the area of financial inclusion.

**Kancheepuram District**- Kancheepuram is situated on the northern East Coast of Tamil Nadu and is adjacent to Chennai the state capital. The district has been divided into 4 revenue sub-divisions comprising of 12 taluks with 1137 revenue villages. For development administration, it is divided into 13 community development blocks and 633 Village Panchayats. According to 2011 census, the District had population of 39.90 lakh- 20,10,309 were Male and 19,80,588 were Female. The rural population is 14,53,072 and for Urban areas it is 25,37,825- showing a predominance of urban and peri-urban areas and population. The total main workers of the District was 16,73,814 persons forming 41.9% of total population- Of this, 11,81,308 were male workers and 4,92,506 were Female workers. Total Literacy is at 85.29 percent- with female literacy at a high 80.17 percent, though in rural areas female literacy sees a sharp decline to 69 percent. Agriculture is the main occupation of the people with 47 percent the population engaged in it.

**Cuddalore District** –The district is located on the central eastern coast of the state and has a population of 26 lakhs. The 896 revenue villages of the district fall into 3 revenue sub-divisions and is divided into 9 talukas- 5 urban municipalities, 13 Panchayat unions and 683 village panchayats for the purpose of governance, 28 percent of the population belongs to the marginalised Scheduled Caste with another 1 percent falling in the Scheduled Tribe category. 71.5 percent of the workers fall are main workers of which nearly 30 percent are women. Nearly 40 percent of the workers are either engaged in agriculture as cultivators or as agri- labourers. 66 percent of the population is rural and nearly 90 percent of the farmers belong to small and marginal categories – cultivating less than 2 hectares of land.

Agriculture is the main economic activity in Cuddalore district. The rural economy is characterized by predominance of seasonal crops like paddy, sugarcane, groundnut, millets, pulses, oilseeds, etc. Dry land horticulture crops are also cultivated widely, although this district is agrarian, there is good scope for rural industrialization. Some agro processing and food based industrial units have been promoted in the district because of predominance of raw material- paddy, groundnut, tapioca, jackfruit, and coconut for coir based industries and apart from cashew value-addition as the district is a leading cashew producer.

**Nagapattanam District**- Nagapattanam is among the newest districts, was carved out of Thanjavur in 2001 and is one of the most backward regions of the state. It has a population of 15 lakhs and nearly 80 percent of population lives in rural areas. The district has 2 sub-divisions, 8 Talukas, 4 urban municipalities and for local governance it has been divided into 11 Pachayat Unions and 483 village Panchayats. Of the total 4.66 lakh main workers, nearly 24.68 percent are women. About 55.48 percent of the total geographical area of the district is under agriculture and 82 percent of the workers are engaged in cultivation or work as agricultural labourers, primarily growing paddy, oilseeds and pulses. The average literacy of the district was 75.04 percent as per Census 2011.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SHG Bank Linkage Programme** | | | | | | |
| **Achievement for the Year 2014-2015 (as on 31.09.2015) (Rs. in Crores)** | | | | | | |
| **Sl.No** | **District** | **Target** | | **Achievement** | | **%** |
| **No.of SHGs** | **Amount** | **No.of SHGs** | **Amount** |
| 1 | Cuddalore | 10,652 | 186 | 8,422 | 186 | 100 |
| 2 | Nagapattinam | 8,724 | 143 | 6,955 | 144 | 101 |
| 3 | Kancheepuram | 16,000 | 283 | 16,255 | 286 | 101 |

*(Source: State Level Bankers Committee Tamil Nadu)*

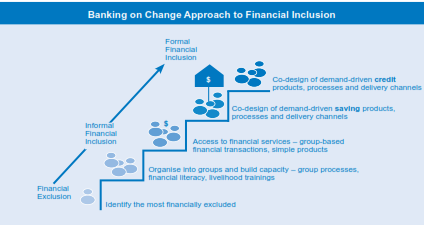
## 2.3 Banking on Change Project

Banking on Change, a partnership between Barclays, CARE UK and Plan UK was established in 2009. Originally it set out to deliver a savings-led microfinance programme with the aim of improving the financial inclusion of people in 11 countries across Africa, Asia and South America. Using a savings led microfinance methodology, Banking on Change mobilised individuals into savings groups so they could save regularly, and in turn borrow small amounts at a fair rate of interest agreed by group members.

In Phase 1, Banking on Change established over 21,000 new groups who have accrued over $6.5m in savings and loaned out over $5m. In phase 2 the partnership has used the same savings led microfinance methodology established in phase 1 as a springboard for implementing a more focused, in-depth, programme targeted at young people. The specific aims of the project for Care India as the implementing partner for BoC Phase II are to:

* Operate in the extremely poor areas of Tamil Nadu. All new savings groups formed will be focused on reaching new youth beneficiaries. However, there will also be an investment in strengthening their financial literacy skills of beneficiaries from Phase 1, paying particular attention to supporting women with the skills to start businesses for the first time.
* Provide an expanded range of in-depth financial literacy, employability and entrepreneurship skills training to over 330,000 beneficiaries, of whom 75 percent will be under 35.
* Support the establishment of income-generating activities and small businesses that will be sustained over the course of the programme.
* Reach out to 33,800 direct beneficiaries, 2,421 groups, of which 1,300 new young people will be reached, making up to around 100 groups. 32,500 existing savings group members will benefit (2,321 groups); over forty seven percent will be under 35. 135,200 indirect beneficiaries will be reached through households.
* Of these original targets, the programme target is to reach 2100 youth beneficiaries and 33738 carry over beneficiaries. Currently 100 percent of new youth beneficiaries are under 35, and 44 percent of carry overs are under 35. 100 percent are women.

Phase II of the Banking on Change project is designed to draw lessons, experiences and learning for the inclusion of women from urban poor families into the formal financial sector through microfinance interventions and consequently enhancing their family’s income ensuring women’s economic empowerment through income generating activities. As part of the larger Barclays-Plan-Care global partnership “Banking on Change”, the proposed project employs conventional Self Help Group (SHG) practices with appropriate innovations and socially cohesive self-help strategies to achieve its goals.



Between 2013 and 2015, Banking on Change Phase II aims to focus on the additional barriers faced by young people. At a time when financial exclusion and youth unemployment are two major issues for the developing world, this generation deserves the opportunity to develop the skills they need to manage their own resources, with products and services that meet their needs.

Banking on Change focuses to develop a youth savings group model as a foundation for increased financial inclusion and as a contributor to youth economic empowerment. Further to build a rigorous model that will serve as a policy and practitioner framework, reflecting knowledge and expertise from across the sector.

Care India implemented this project through 3 NGO partners where each agency was responsible for implementing the intervention in one district each. These NGOs were ACDS for Kancheepuram district, NAMCO for Nagapattinam district and REAL for Cuddalore.

# 3. Methodology for the Evaluation Study

## 3.1 Design and Approach for Field Survey

The current end-line assessment follows a before-after design and heavily relies on large-scale quantitative surveys of programme beneficiaries before and after the programme intervention through an ‘identified respondent survey’. Findings from these household-level surveys have been triangulated and reinforced through qualitative assessments carried out in the form of guided Focus Group Discussions (FGDs) with pre-identified set of stakeholders from the interventions districts who were also part of the identified respondent surveys.

The Endline survey tools had already been developed by the Global Plan International and CARE International teams as the same exercise was undertaken in all the interventions countries and project areas as part of the Global Initiative. Likewise, a detailed methodology for conducting the FGDs with the Carry Over VSL and New Youth VSL members had also been developed for Phase II of the intervention by the Global BoC team and the same was applied in the current endline evaluation. The tools have been designed to clearly bring out the changes in the perceptions, knowledge, lifestyle, asset- ownerships, consumption pattern, access to financial services, incomes changes in the intervening period between the Baseline conducted at the beginning of the programme till now and to see its outcome impact on the decision making power, access to resources and changes in the social status of the women who were the primary stakeholders of this intervention.

Based on the available baseline data for BoC Phase II, the scope of work included covering 2 blocks each in the three districts of Nagapattinam, Cuddalore, and Kancheepuram. While there were some overlaps in the location of the Carry Over and New Youth SHGs in these six blocks, approximately 52 villages were covered as part of the field survey for the endline assessment.

## 3.2 Methodology for Data Collection and Analysis

**Sampling**

The sample size for the detailed data collection has been identified during the process of planning for the baseline of Phase II interventions and used the following methodology to arrive at the final sample size. The same was applied and the same respondents covered as a part of the endline evaluation of the BoC intervention.

The study was based on a sample study methodology using stratified random sampling as suggested by the Global Team. A longitudinal approach was followed collecting samples across four quarters of the year. Since in the case of CARE India the activities included strengthening of defunct groups as well as formation of new groups the sample spread also factored that in ensuring adequate representation from different segments and categories. Sample size was calculated using the formula

****

**Zα =** the z-score corresponding to the degree of confidence with which it is desired to be able to conclude that an observed change would not have occurred by chance

**Zβ =** the z-score corresponding to the degree of confidence with which it is desired to be certain of detecting a change of size (P2 - P1) if it actually occurred (β - statistical power). Generally β is considered as 80%.

Based on this the total sample size was identified as N=890 which was further segregated by categories of respondents into Carry Over VSL members (N=669) and New Youth VSL members (N= 221). Using the Sample proportionate to Population the sample was further broken down per district into the following:

|  |  |  |
| --- | --- | --- |
| Sl. No | Districts | Sample Size (N) |
|
| 1 | Nagapattinam | 420 |
| 2 | Cuddalore | 278 |
| 3 | Kancheepuram | 192 |
| Grand Total | | 890 |

***Since 98.5 percent of the SHG members/respondents were women, no consideration was given to ensuring a gender balance in the respondents covered through the endline. As shared in the earlier section, as per the methodology shared by the Care India team with IDCG, there was no scope for making any changes in it as the same exercise was being conducted across countries and interventions. Additionally, since the agency involved in conducting the baseline for Care India in Tamil Nadu was different IDCG neither had the previous experience nor did the scope, as discussed with the client, allow for suggesting any changes to the methodology. The point is being reiterated to address the repeated concern of the global evaluation team regarding the changes in the methodology between the baseline and the endline. The Terms of Reference for the current assignment are annexed for more clarity.***

Based on data collected on the pre-determined indicators through respondent surveys across the target of nearly 890 households and 15-20 focus group discussions, the present analysis done by IDCG in the prescribed formats and tabulations gives a detailed analysis of the data collected on the impact of the BoC interventions in the last 3 years. The Endline report distils the trends and patterns emerging from the baseline and endline data to empirically/statistically show the changes in the knowledge, perceptions, practices, decision-making and positional role of the women who have been members of the CARE supported SHGs under this BoC intervention.

**FGD Methodology-** Since the FGDs were conducted for the first time in the project, the guidelines provided by the BoC team on the conduct and participant identification for the FGDs was followed by the field level enumerators/ investigators of IDCG. This included segregating the group members across Carry Over and New Youth between those below 24 years of age and those above it. As there were no male members in the groups no gender segregation of groups was done by gender in the case of Care TN BoC Phase II FGDs. Additionally, the number of FGDs conducted per district were in proportion to the number of participants surveyed per district. The selection of participants for the FGDs was subject to their fulfilling the age criteria, willingness of the members to travel to a common venue to participate in the FGDs and also their ability to express themselves. Based on these criteria, the organization conducted 19 FGD during the fieldwork across the three project districts.

The size of each group was kept between 8 to 12 members as suggested by the guidelines. Only in cases where adequate number of members could not be galvanized by the IDCG field team and the Field Officers of Care NGO partners despite repeated efforts that FGDs were conducted with lesser number of participants or in groups which had mixed members (both above as well as below 24 years of age) to complete the numbers. As per the detailed guidelines provided participants were assured that the anonymity of the participants response will be later ensured during the codification process and the current information being asked on the individual background sheets was just to cross link the information provided by the members in their individual responses to the survey. Senior team members among the field team were involved in the FGD process and all the discussions were recorded and later transcripted into text using experts and those involved in overseeing the conduct of the FGDs. This was done to ensure that there was objectivity, the person doing it knew the context and could fill those information gaps in the transcript that were assumed or implied by the participants during the discussion/providing responses.

The statistical data on the performance of the BoC project as brought out through the data collection process has been analyzed to report on the changes/achievements of the project objectives on areas like financial literacy and awareness, extent of financial inclusion of the members, improvement in their employability and their ability to move towards entrepreneurial activities. The larger learning emerging from this intervention for the communities, practitioners, policy makers has also been flagged through the analysis and substantiated with qualitative data available from the FGDs.

In line with the structure of endline survey tools, the report prepared by IDCG tries to analyze trends along the following indicators:

1. **Extent to which SHG members are involved in Savings and Credit-** In terms of savings done, individually and collectively across groups and credit availed /raised from formal sources.

2. **Economic Status of households**- In terms of the changes since the baseline, in family incomes, changes in housing and asset creation/ ownership, improvement in household consumption levels as well as agricultural production as indicators of improved quality of life and their index on the Progress out of Poverty Index (PPI).

3. **Expenses on improving human development indicators** - Based on the nature and quantum of expenses on health and education by the household, co-relation between increased incomes and investments in quality education and health services and improved access to quality services in these areas.

4. **Drop-out by the SHG members**- Reasons for the same across both cohorts and their status of attainments on human development and economic status in comparison to existing members.

5. **Impact of programme interventions on livelihoods options**- Proportion of respondents who were able to make the transition to better and more productive livelihood options including better employment – wage as well as self-employment.

6. **Impact of trainings and capacity building**- In terms of increased awareness about financial inclusion, informed financial decision making at the household and their ability to access formal credit.

7. **Societal Position of the members**- The level of social and political participation among respondents, changes in their positional role in the society/ within the household owing to their membership of the SHG.

Comparisons have been done across these indicators to draw out how the attributes and impacts across respondent categories and existing attainments, including the differences among the youth and carry over SHG members.

## 3.3 Changes in the Sample Size between the Baseline and Endline

The sample size remained the same between the baseline and the endline as was decided by the Global team and as communicated to IDCG. The following was the final status of the Data Collection and FGDs after the completion of the fieldwork.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **S No** | **Type of Groups** | **Nagapattinam** | | **Cuddalore** | | **Kancheepuram** | | **Total** | | **Total Sample** |
| **Covered** | **Dropouts** | **Covered** | **Dropouts** | **Covered** | **Dropouts** | **Covered** | **Dropouts** |
| **1** | **Carryover** | 334 | 4 | 185 | 15 | 129 | 2 | **648** | **21** |  |
| **2** | **Youth Groups** | 80 | 2 | 76 | 2 | 59 | 2 | **215** | **6** |  |
| **Total** | | 414 | 6 | 261 | 17 | 188 | 4 | **863** | **27** | **890** |
| **Grand Total** | |  | 420 |  | 278 |  | 192 |  |  | 890 |

As per the agreed methodology, IDCG undertook visits to the households of the identified respondents and in case of their non-availability 2-3 repeat visits were made to the same household to get the respondent for administering the survey endline questionnaire. However, despite the repeat visits the organization was finally able to reach out to 799 respondents. Discussions were held with the Care Tamil Nadu BoC team which asked for details of the respondents not covered and suggested that the remaining will be covered by the Care NGO partners.

Though this was not methodologically correct, and went against the principles of objective/independent assessment, which was flagged to the client, the details were shared and an additional 64 filled in questionnaires were received from the Care Partners. Thus in all 863 participants out of the 890 identified for the endline were covered as a part of this exercise and this entire data set has been covered in the final analysis presented here. The final number of drop-out or participants uncovered by the endline data collection was 27 participants.

Following table gives a summary of the data collected for the endline by agency.

|  |  |  |  |
| --- | --- | --- | --- |
| **Agency-wise Data Collection** | | | |
| **Sl. No** | **Agency** | **Total Received** | **Total Valid** |
| **1** | IDCG | 799 | 799 |
| **2** | ACDS- Kancheepuram | 17 | 17 |
| **3** | REAL- Cuddalore | 39 | 37 |
| **4** | NAMCO- Nagapattinam | 10 | 10 |
| **Total** | | **865** | **863** |

Apart from this the following is the detail of the number of FGDs conducted by IDCG across districts:

|  |  |  |
| --- | --- | --- |
| S No | Name of the District | Number of FGD conducted |
| 1 | Nagapattinam | 10 |
| 2 | Cuddalore | 5 |
| 3 | Kancheepuram | 4 |
|  | TOTAL FGDs conducted | 19 |

## 3.4 Challenges related to Data Collection and Analysis

The constant support of BoC Tamil Nadu staff ensured that IDCG team did not face major challenges during data collection. Though the same cannot be said of the NGO partners, who implemented the project, and were supposed to offer on-field support to the data collection team as per the advisory provided to them by the senior Care BoC management team at Chennai. Some challenges that were encountered during and post-data collection and which impact the final deliverable are discussed below:

1. It was very difficult to convince dropout members to participate in the survey. Since we recognize the importance of surveying dropout members, extensive efforts were made by IDCG and BoC staff to cover maxim dropout members.
2. As per the initial round of door to door survey, the survey agency was able to cover 799 out of the total 890 respondents to be covered as part of the endline assessment. This took place even after 2 to 3 rounds of repeat home visits by the survey team and supervisor. Subsequently, based on a discussion with CARE BoC and between Care and their NGO partners, it was decided that the NGO representatives will attempt to reach out to and survey the remaining respondents who had not been covered during the first round. The remaining respondents were covered by the NGO representatives of CARE who were also implementing the assignment.
3. Many of the questionnaires filled by NGO partners did not have contact numbers of the respondents, which prevented an effective quality back-check which is a mandatory quality assurance process of the organisation. This was escalated to the Care team and after discussions with them it was decided that data pertaining to those respondents also be included in the final analysis.
4. Conducting FGD with SHG members was a challenge as it was difficult to gather them at one place during working hours and even later. Since most members were women, they faced difficulty in terms of mobility and coming to a place outside their village. As a result, there were several occasions when scheduled FGDs were cancelled as identified participants did not turn up.
5. Though several participants agreed to be part of the FGD process when asked during the personal interview, many later declined to be part of it. This meant another round of scouting for participants who would agree to join the FGDs
6. Since working women were not available at home during working hours, IDCG team had to conduct some surveys either very early in the morning or during late evenings.
7. The baseline data provided to IDCG had several errors related to names of members, names of SHGs, their location etc. as they had not been appropriately entered in the baseline data set during data entry. This resulted in significant time loss to make the data set compatible for use by the field survey team and also to help later comparison between the baseline value and final value.
8. There were also several errors in the baseline dataset related to the basic profile of members. The endline data collection showed a reversal/change in the static data which had been collected during the baseline and endline. For example, attributes like age and educational attainments, marital status, number of children/family members of the participants were found to have declined between the baseline and endline. Where contact numbers were available the data was re-validated directly with the participants, in other cases, for ensuring consistency the data collected by us was considered more trustworthy and used as the final benchmark.
9. A significant amount of time was also spent by the survey team in retrospectively correcting the baseline figures as the data set was incoherent. Also since the data sets available and its analysis in the baseline report did not match, the raw data was referred to, to understand the actual position during the baseline 3 years ago.
10. Absence of field staffs/officers during field visits significantly increased the time spent by the survey team on the field. While the initial understanding was that the NGO field coordinators would provide all possible support in the field, this did not materialise to the extent desired in many of the places, which significantly slowed down the data collection process. Things improved only slightly despite the issue being escalated to the Care BoC team and their repeated rejoinders to the partners to ensure availability of focal points in the districts to support the data collection process and connecting the survey team with the SHG leaders.
11. Lack of coordination among field officer, field staffs and SHG leaders in extending support for organising the FGDs meant that the FGDs had to be organised and cancelled several times before the required member strength for conducting the FGD could be garnered.
12. Dissimilation of information from field officer/ staff to SHG leaders/members was not clear regarding FGD organization with the above result. Also since the communication from the NGO partners to the field team was not clear, there was persistent pressure on the survey team from those not surveyed to be interviewed. Several SHG members thought that the selected members were being interviewed as some additional project support was coming to the project area and only the interviewed SHG members will get its benefit. Prior briefing of the members by the NGO partners also meant that a lot of time of the survey team was spent in communicating to the non-participants about the objective of the survey- which was for impact assessment and not for scoping beneficiaries for a new scheme/project.
13. During FGDs it was found that the New Youth groups had not been not organised/formed as per the sampling criteria shared with us- which was that most New Youth Groups will be less than 24 years of age and would not have been associated with the project in the first phase. This resulted in great difficulty in organising youth group FGDs as very few members fulfilled the criteria for organising the Youth Group FGDs.
14. At times, the SHG members were not told by the NGO field functionaries that there was an FGD meeting in which they had to participate, but were told that Bankers/company personnel are coming to provide loans”. This sent a wrong message to the respondents and did not invite active participation from the participants on many occasions. This was also compounded in some cases by the fact that members were not happy that the BoC project was coming to a close.
15. Almost all households in Nagapattinam have toilet at household but people still opt for open defecation, thus our questionnaire should have had a question probing the current usage/ functionality of the individual household toilets.
16. Lastly, as shared in a previous point, the quality of data available from the baseline did not allow the research and data analysis team to perform several statistical analysis and comparisons across parameters that would have brought greater richness to the present report. Absence of complete data on all parameters also added to the inability to undertake several before-after comparisons.

# 4. Descriptive Statistics on the Household

This section presents a descriptive profile of the households covered under the baseline and end-line survey. This section exhibits the demographic, socio-economic characteristics of SHG member's household. Out of the 863 respondents for whom data was available with the IDCG team after the completion of the fieldwork, for endline evaluation, the data related to a total of 856 VSLA group members– 645 Carry Over Group and 211 the New Youth Group- was finally used for further analysis and assessment.

## 4.1 Demographic & Socio Economic Characteristics of the Household

In the present sub-section, the longitudinal analysis of the data has not been undertaken as there was either no change in the last three years with respect to the household characteristics or was insignificant in nature. In addition, due to the poor quality of the baseline data, about which a note has been made in the last section of the previous chapter, the baseline information on these parameters was not considered very reliable and the endline data was used to retrospectively understand the profile of the household and its socio-economic characteristics 3 years ago.

### 4.1.1 Household Composition

The average size for the households covered under the survey is 3.7 for carry over and 3.8 for new youth households, the household size varies from 1 to 9 for carry over and 1 to 10 for new youth members. As per end-line survey, 98.2 percent households have up to 6 members.

Figure 2: Size of Household (in %)

Among the total 856 households covered under the endline survey 50.8 percent family members are male and 49.2 percent are female, which is in line with the state sex ratio of 995 per 1000 males as per Census 2011.

Figure 3: Age of Household Members

The chart on the right shows the age of household members. For both carry over and new youth members the age of family members follows a very similar distribution. The dependent population (age groups 0-18 and 55+) is around 36 percent in the entire respondent set.

### 4.1.2 Educational and Literacy Attainments

Figure 4: Level of Education of Household Members (in %)

About 84 percent household members for carry over group and 85 percent household members for new youth group above the age of 5 years have attained formal education or have attended school, while the remaining 16 percent and 15 percent respectively have never attended a school or received formal education. Distribution on level of education is nearly the same for both groups- carry over and new youth.

Nearly 90 percent of family members between the age group of 5-18 are currently attending school, which despite the non-availability of corresponding baseline data is a positive indication of emphasis on investing in the education of the younger family members. For carry over group the figure is 90 percent currently attending school, and 10 percent not attending. For the new youth group, 94 percent family members in the age group of 5-18 years are currently attending school. Of those who are currently attending school, 26 percent from carry over group and 35 percent from new youth group are studying in private schools. Evidently, the new youth group shows marginally greater importance associated with schools and also have the willingness to spend more on the education of the younger generation as compared to the carry over group. (Private schools in India are costlier than the government schools, though the quality of education provided may differ with location and school)

Figure 7: Level of Education of Head of Household

Moreover, the highest qualification achieved by the head of the household is slightly better in case of new youth members, as can be seen Figure 7, which shows the level of education achieved by head of the household for carry over and new youth members.

### 4.1.3 Occupation

The chart below presents the distribution of occupation across categories for both carry over and new youth household members. It is evident from the chart that the distribution of employment categories for both groups is largely similar. Data has been presented for all household members above the age of five years. In the total respondent set for the endline survey, including both carry over and new youth members, 57.4 percent are gainfully employed, excluding unemployed members of the household 8.9 percent, students 27.8 percent, and housewives 5.9 percent. Wage labour is the most common occupation for both groups as these households belong to very low income category. It is surprising, however, that the reported level of engagement of the family members in agriculture is very low given the fact that the project area is largely rural and agrarian with more than 60-70 percent population engaged in agriculture, with the exception of Kancheepuram where the project area is peri-urban,. Other occupations including small businesses, handicrafts are in line with the general population trends of the area. Presence of significant numbers of salaried employees in a pre-dominantly rural setting seems to suggest that either the impact of better educational investments/ awareness, or the selection of relatively educated/progressive families as SHG members or a potential elite capture of the groups- which needs to be further probed.

Figure 8: Classification of Household Members Based on their Occupation

### 4.1.4 Health Access

#### Carry Over Group

Figure 9: Inability to Access Health Care Services (Carry Over)

During the baseline stage, 19.4 percent of the carry over group households were not able to access healthcare services due to lack of resources; this number has decreased to 10.7 percent during the endline stage. The result of t-test analysis for 95 percent confidence interval gives p = 0.001. This shows that the sample means for baseline and endline are not equal. Therefore we can conclude that the result is statistically significant for 95 percent and 99 percent confidence intervals. Though it may not be attributable exclusively to the BoC project intervention, as an indicator of wellbeing/ better incomes or improved provisioning of public health services, ability of households to access healthcare services has improved between the baseline and endline.

68.1 percent of the carry over group members spent money for availing healthcare services in the last one year for self during the endline stage, compared to 56.7 percent during the baseline stage. As per endline study findings, 54.7 percent carry over group members spent money on availing healthcare services for other members of the household compared to 56 percent members during the baseline stage. While this does not indicate a positive or a negative trend other than the fact that women have been investing in their own health. Decrease in spending on other family members between the baseline and endline could also suggest investments in preventive health, greater health awareness among the SHG members as a result of the capacity building input provided under the project on securing the self and protecting their rights as women. [[2]](#footnote-3)

Figure 10: Medical Expenses on Self (Carry Over)

Figure 10 on the right shows the baseline and endline comparison for medical expenses incurred on self during the past one year for the carry over group members. As can be seen from the chart there has been an increase in the medical expenses incurred on self from baseline to endline. Also, the propensity to seek health services has increased from baseline to endline. While this definitely shows the ability of the women to spend more on self, the trend also disturbs in terms of a significant increase in health expenditure.

Figure 11: Cumulative Medical Expenses (Carry Over)

Figure 11 shows cumulative medical expenditure incurred during the past one year by the carry over group households, which also shows a consistent increase in the intervening period across all intervals.

#### New Youth

Figure 12: Inability to Access Healthcare Services (New Youth)

Figure 12 shows the baseline to endline comparison for access to healthcare services for the new youth members. As can be seen from the chart, there is not much difference between the baseline and endline results. T test for 95 percent confidence interval turned out to be false (p = 0.384), showing that there is no statistically significant difference between the two samples.

56.9 percent of the new youth group members spent money for availing healthcare services in the last one year for self during the endline stage, compared to 51.7 percent during the baseline stage. As per endline study findings, 49.3 percent new youth group members spent money on availing healthcare services for other members of the household compared to 41.2 percent members during the baseline stage.

Figure 13: Medical Expenses on Self (New Youth)

Figure 13 shows the baseline endline comparison for medical expenditure on self by new youth members. The chart shows a marked difference from baseline to endline in the INR 3001-10,000 and 10,001-50,000 brackets. Also it is evident that more members now keep track of their healthcare expenses. Increase in the lower ranges of expenditure suggests a higher investment in preventive health and on minor ailments suggesting a positive trend and an increased awareness about the importance of making investments on personal health by the SHG members.

Figure 14: Cumulative Medical Expenses (New Youth)

Figure 14 shows the baseline endline comparison for cumulative medical expenditure incurred during past one year by new youth member households. The result was also found to be statistically significant for 95 percent and 99 percent CI. The t test for difference of means was run in SPSS during data analysis, for both 95% and 99% confidence levels, and the result was found to be statistically significant in this case.

### 4.1.5 VSLA Involvement

VSL involvement is largely limited to one member per household. As can be seen from Figure 15, 93.6 percent households from carry over groups and 91.5 percent households from new youth groups have no additional VSL members apart from the survey respondents. 6.2 percent carry over households and 7.6 percent new youth households have one member each who is part of a VSL group.

Figure 15: VSL Membership of Other Household Members

Surveyed households also had very limited participation in VSL groups prior to joining the BoC programme as can be seen from the responses by both carry over and new youth households to previous VSL membership (Figure 16 and 17 respectively). This was in response to the question on whether the VLSA member was part of another group before joining this group- to ascertain whether there was a switch from another group (within or outside the BoC groups) or if their association with SHGs happened for first time under BoC. During baseline stage 2.9 percent carry over households reported prior VSL membership and this increased to 8.7 percent during the endline stage. For new youth households prior VSL membership increased from nil during baseline to 14.2 percent during endline survey. Changes in the data same reflect that either some members switched groups during phase II of the project or there has been a drop-out of members since the baseline.

Figure 17: Prior VSL Membership (New Youth)

Figure 16: Prior VSL Membership (Carry Over)

Extent of members’ involvement in the functioning of their VSL group can also be ascertained by their position- whether they have risen to leadership position in their respective groups or not. The following two charts (Figures 18 and 19) illustrate this aspect. In the carry over households 11.6 percent respondents during baseline and 8.8 percent during endline were leaders of their respective VSL groups. In case of new youth households 11.4 percent during baseline and 8.1 percent during endline became leaders of their respective VSL groups. This suggests that there has been a change in the leadership across several groups during the Phase II intervention since the time these groups were created. This may be related to the fact that members realised that they needed more effective leaders to lead the group and hence effected a change in the office-bearers. Also, this could be related to the capacity building provided to the group members on leadership and attributes to be found in women as leaders.

Almost all respondents across the three districts responded that their household situation has improved after they joined their respective VSL group. It is evident from their responses that, after getting linked with the BoC project through SHGs, they have been able to exercise more economic independence, avail easy loans with low interest which they have utilized for supporting their children’s education, marriage of their children, construction/repair of roofs/houses and improving their overall livelihood situation.

Figure 19: Leadership of VSL Group (New Youth)

Figure 18: Leadership of VSL Group (Carry Over)

### 4.1.6 Household Decision Making

Figures 20 and 21 below show the baseline endline comparison for involvement of VSL group members in household decision making regarding allocation of financial expenses for carry over and new youth households respectively.

Figure 21: Decision Maker in the Household (New Youth)

Figure 20: Decision Maker in the Household (Carry Over)

It is evident from figure 20 and 21 that the participation of VSL group members in household decision making has increased from baseline to endline for both carry over and new youth households. Among the New Youth Groups, since many members are spinsters, there is higher influence of parents over household expenses and in case of Carry Over it is higher for spouses, though in both cases there has been a proportionate decline in the influence of parents and spouses in the intervening period in the financial decision making in the household.

Figures 22 and 23 below show the baseline and endline comparison for level of independence enjoyed by VSL group members with respect to their own income from business activities for carry over and new youth households respectively.

Figure 23: Can Use IGA Income Freely (New Youth)

Figure 22: Can Use IGA Income Freely (Carry Over)

Members’ control over their own income from different income generating activities has more than doubled between the baseline and endline, as is evident from the charts above in both the categories, though this increase is much higher in case of New Youth groups as compared to Carry Over. The charts also show that more VSL members now conduct income generating activities (nearly 60 percent of the Carry Over and 57 percent of the New Youth), a positive aspect that the BoC intervention has brought to their lives. This suggests that the New Youth groups have caught up with their senior groups and proportionately have a higher freedom in spending their income from IGA than the Carry Over.

In terms of household decisions on various domestic matters such as health of household members, children’ schooling, food, purchase of domestic equipment, repair of dwelling units, and acquisition of immovable assets, survey respondents reported their increased participation in decision making, for both carry over and new youth households. Members were asked to rate their contribution in decisions and expenses on a scale of four. In case of food related decisions, very few women respondents now have no or small role in these decisions. In case of New Youth Groups the number of women who now have a high role in food related decisions has almost increased three-fold.

Carry over households recorded an increase of nearly 25 percent in high participation on health related decisions from baseline to endline; the corresponding increase for new youth households was of 37 percent, from 15.6 percent during baseline to 52.6 percent during endline survey. In case of household equipment purchase decisions, percentage of new youth members who reported high participation nearly doubled from 11.4 percent during baseline to 22.7 percent during the endline stage. For dwelling repair, new youth members reporting high participation also more than doubled from 11.4 percent to 26.1 percent. The corresponding increase for carry over households was less noticeable from 25.9 percent during baseline survey to 28.7 percent during endline survey.

Figures 24 and 25 below show the level of participation in decision making for food related decisions of VSL group members for carry over and new youth households respectively.

Figure 25: Decision Making reg Food (New Youth)

Figure 24: Decision Making reg. Food (carry over)

It is evident from the charts above that participation in food related decisions has increased for both carry over and new youth members. Carry over members recorded an increase of nearly 15 percentage points in the high participation category, whereas the new youth households recorded an even greater increase of over 31 percentage points in the corresponding category. The BoC project has definitely contributed towards increased intra-household status and participation in domestic decision making.

## 4.2 Socio-economic Characteristics of the Household

### 4.2.1 PPI Scorecard Results

The PPI scorecard has been calculated on the basis of R66 (updated in 2012, based on expenditure data from July 2009 to June 2010) poverty line using the MMRP (Modified Mixed Reference Period) expenditure method. The likelihoods of poverty have been presented for PPP income categories of $1.25 per day, $1.88 per day, and $2.50 per day. The following charts show the Baseline to Endline comparison of likelihood of poverty line results for the three poverty lines as mentioned above.

The Progress out of Poverty Index (PPI) is a statistically-sound, yet simple to use poverty measurement tool. Answers to 10 questions about a household’s characteristics and asset ownership are scored to compute the likelihood that the household is living below the poverty line – or above by only a narrow margin.

Figure 26: $1.25 Poverty Line (Carry Over)

Figure 27: $1.25 Poverty Line (New Youth)

For reporting purposes we have taken the following thresholds to determine the likelihood of a household lying below a particular poverty line based on its PPI scorecard. As a thumb rule, we have taken a likelihood value of 50 percent or higher to be a proxy indicator of a household lying below a particular poverty line. The threshold likelihood values assumed by us are as follows: **$1.25 – 49.70, $1.88 – 57.30, and $2.50 – 55.20**.

The results of the PPI scorecard evaluation clearly denote a positive change in incomes and poverty levels of the participants. Even though we have selected a high threshold for considering a household below a certain poverty line, it is apparent from figures 26 and 27 above that the percentage of households falling under a given poverty line has fallen from baseline to endline for all project areas (districts where the BoC intervention has taken place) and across thresholds, though change is most significant in the middle income interval - $1.88, suggesting emergence out of the spiral of poverty, though not enough to consider it a sustainable emergence. This trend is common for both categories of households i.e. carry over and new youth households.

While attribution is always difficult to establish conclusively, especially in light of other anti-poverty strategies being implemented by the governments, it is evident from the FGD responses of members that the growth registered in income from baseline to endline has been able to contribute positively towards meeting household expenses. Increase in the economic self-sufficiency of VSL members, as well as the fact that almost all members engaged in income generating activities have reported profits points towards lessening financial burden on households and the related decline in proportion of households falling below poverty line. To that extent, the decline in poverty levels could be partly attributed to the BoC intervention.

### 4.2.2 Housing

Charts 28 and 29 given below, show the baseline endline comparison for source of energy used for lighting by carry over and new youth households. The carry over groups seem to have probably made the shift to electricity supply during BoC Phase I while a few new youth group members have now made the move- though this could be as much a result of better affordability as it could be of supply side intervention/provisioning by the government.

Figure 28: Source of Energy for Lighting (Carry Over) Figure 29: Source of Energy for Lighting (New Youth)

Figure 31: Source of Energy for Cooking (New Youth)

Figure 30: Source of Energy for Cooking (Carry Over)

Figures 30 and 31 above show the baseline and endline comparison for source of energy for cooking for carry over and new youth households. In Nagapattinam district, wood is the primary source of fuel for cooking, and the trend is similar for both carry over and new youth households. In Cuddalore, the situation is somewhat better, although over 40 percent of households in both groups still use wood as the primary cooking fuel. Kanchipuram performs best amongst the three survey districts and records a high percentage of households using gas as the cooking fuel for both carry over and new youth households. However, in carry over households from Kanchipuram the situation has not changed much from baseline to endline. In case of new youth households from Kanchipuram we can see a marked decline in the use of wood and kerosene as cooking fuel and a corresponding increase in the use of cooking gas.

This logically corresponds to the pricing and availability of energy source in the area. Nagapattinam being predominantly rural and forested has a high availability of cheap or free fuel wood for cooking, while in case of Kanchipuram, where the project is operational in semi-rural or peri-urban areas the availability of fuel wood is constrained and the supply of cooking gas is better, making it a cheaper and more reliable option as compared to its alternatives.

Figure 32: House on Rent (Carry Over)

Figure 33: House on Rent (New Youth)

Figures 32 and 33 above show the district wise baseline endline comparison for house ownership for carry over and new youth households respectively. As can be seen from the chart there hasn’t been much change from baseline to endline for either group, though now a larger number of members are living in rented houses as compared to the past. This could possibly be due to members moving out of their parent’s house and starting a nuclear family. In case of carry over households from Nagapattinam and Kanchipuram house ownership has increased from baseline to endline. Since the duration of the project was short, at least for the New Youth groups, it would be unfair to expect asset creation (house purchase) during this small period.

Figure 35: Kind of Toilet Facility (New Youth)

Figure 34: Kind of Toilet Facility (Carry Over)

Figures 34 and 35 above show the baseline endline comparison for the nature of toilet facility for carry over and new youth households. The penetration of flush toilets has increased for both carry over and new youth households, however, a large section of the respondents still have no access to toilet facilities. Preference for flush toilets among members is largely due to the strong push in the past one and a half year under Clean India Mission and provision of financial incentives for those families (belonging to pre-identified socially and economically vulnerable categories) constructing flush toilets for their households.

Figure 37: Material of External Walls (New Youth)

Figure 36: Material of External Walls (Carry Over)

Figures 36 and 37 above show the baseline and endline comparison for the material used on the external walls of dwellings inhabited by carry over and new youth households respectively. As can be seen from the graphs, most households in both groups have modern burnt face bricks as the material for external walls, followed by stone and cement blocks. Use of building material, other than burnt bricks, has come down across both the categories. During both baseline and endline surveys houses with wooden/mud walls were rarely found. The trend is similar for both carry over and new youth households.

Figure 39: Material of Roof (New Youth)

Figure 38: Material of Roof (Carry Over)

Figures 38 and 39 above show the baseline and endline comparison for the material of the roof of the dwelling for carry over and new youth households respectively; while cement and tiled or asbestos roof is prevalent, grass was found to be the roof material for nearly 35 percent of the carry over households and over 30 percent of the new youth households. There has been a decline in the use of thatched roofs but it is marginal, accompanied by a marginal increase in the prevalence of cement and tiled/asbestos roofs for dwelling units amongst survey respondents.

Figure 41: Floor Material of House (New Youth)

Figure 40: Floor Material of House (Carry Over)

Figures 40 and 41 above show the baseline endline comparison of quality of flooring in the dwelling units of carry over and new youth households respectively. Cement is the most common material used for flooring in the dwelling units for both carry over and new youth households. In the carry over group, prevalence of mud floors has decreased only slightly from 20.6 percent to 18.3 percent, the decline in prevalence of mud floors is more noticeable in case of new youth households where 18.5 percent households had mud floors during baseline, this figure decreased to 8.5 percent during endline. Prevalence of ceramic tiled floors also increased from nil during baseline to 17.5 percent during endline for new youth households.

### 4.2.3 Land

Figures 42 and 43 show the district wise agricultural land held by survey households for carry over and new youth groups respectively.

Figure 43: Agricultural Land (New Youth)

Figure 42: Agricultural Land (Carry Over)

It is evident from the charts that land holding of both carry over and new youth households is marginal. In Kanchipuram over 96 percent of both carry over and new youth households have no agricultural land. Very few households across both groups of respondents have land holdings over 2 acres. This trend is in keeping with the national trend, agricultural land holdings in India have been decreasing year on year due to intense population pressure on land. Average size of operational land holding in India as per Agricultural Census 2010-11 was 2.9 acres for all farmers, and 0.99 acres for marginal farmers. We believe that the size of the holdings would have decreased further as per agricultural census 2015-16, data for which has not yet been released by the government.

During the baseline stage, 7 carry over group households had reported purchasing agricultural land during the past one year, this figure had increased to 9 households during endline stage. The corresponding figures for new youth households were 3 and 8 households for baseline and endline stage respectively.

### 4.2.4 Assets

Figure 43\_A: Personally Purchased Assets

32 (5 percent) members from the carry over group during baseline and 187 (29 percent) during endline reported having purchased assets during the past one year. The corresponding figures for new youth members was 21 (10 percent) during baseline and 68 (32.2 percent) during endline.

### 4.2.5 Financial Ability

Figure 45: Anxiety about Money (New Youth)

Figure 44: Anxiety about Money (Carry Over)

Figures 44 and 45 above show the district wise baseline endline comparison for monthly cash flow issues faced by carry over and new youth households respectively. It is evident from the charts that the cash flow situation of households from both groups has not improved materially. Overall, a distinction can be made among those who worry about money constantly or frequently, and those who worry about money rarely or never. In case of VSL members from the carry over group, those who worry about money constantly or frequently declined marginally by 0.6 percent and those who worry about money rarely or never increased marginally by 0.6 percent from baseline to endline. So, while it can be said that there has been some lateral shift in the graph overall and the financial anxiety of members has declined, the effect is quite small to be taken into account. For the new youth group, the financial anxiety of members appears to have increased from baseline to endline. Members who constantly or frequently worried about money increased by 14.7 percent. A corresponding decline was registered in proportion of members who rarely or never had to worry about money.

Looking at this trend district wise, one of the external factors influencing this change could probably be the primary source of income of the household, apart from the project contribution in terms of providing stability of to the cash flows. since the dependence of interviewed households in Nagapattinam and Cuddalore is more on smallholder agriculture and agriculture labour, with uncertain cashflows, there is a higher financial anxiety in these households as compared to Kanchipuram, where the primary earner in majority cases is either a salaried employee or is engaged in non-farm activities. This trend will get more evident in the subsequent sections of the report. Other external factors that may account for these trends include increased cost of living from baseline to endline. Also, new youth members have been associated with the programme for a shorter duration. It can also be mentioned here that the number of new youth members who contracted loans in the past 12 months went up from 106 to 160, whereas for carry over group this number declined marginally from 524 to 513.

In case of carry over households from Nagapattinam, the percentage of households that worry constantly about money decreased from baseline to endline, however, the percentage of those who frequently worry about money increased from about 45 percent to nearly 60 percent. Simultaneously, the percentage of those who never had to worry about money decreased by over 10 percentage points. In case of carry over households from Cuddalore district, we can see that there has been noticeable upheaval in the cash flow situation of households, as the percentage of households who never had to worry for money increased by 12.5 percentage points, however, simultaneously the share of those who rarely worried about money decreased by nearly 15 percentage points from baseline to endline. Only in case of carry over households from Kanchipuram district we can see marked improvement in the cash flow situation of households across all categories. In case of new youth households from Nagapattinam and Cuddalore districts, the monthly cash flow situation declined from baseline to endline. New youth households from Kanchipuram showed improvement in the monthly cash flow situation across all categories.

As can be seen from charts and accompanying commentary, the trend is common across both carry over and new youth groups. The variations if any are regional, with households from Kanchipuram showing improvement in cash flow situation while households from other two districts show no improvement or even a marginal decline. However, since most households covered in the survey are low income households, there can be significant variations in their cash flows on a month by month basis. Therefore it would be unwise to draw any definite conclusions based on this aspect alone.

Figure 47: Ability to Meet Expenses (New Youth)

Figure 46: Ability to Meet Expenses (Carry Over)

Figures 46 and 47 above show the baseline and endline comparison of the ability of carry over and new youth households respectively to meet expenses on a monthly basis.

In case of carry over households, we can see that the ability of households to meet monthly expenses has improved across all three districts from baseline stage to endline stage. In terms of overall trends, carry over households with a lot of difficulty coping with monthly expenses declined by 17 percent points. Those who were somehow able to cope increased by 14 percent and those with no difficulty in coping increased by 3 percent from baseline to endline. This also agrees with the findings of the previous section where it was reported that the financial anxiety of carry over households declined marginally from baseline stage to endline stage.

New youth households who had a lot of problems in meeting monthly expenses increased by 4.3 percent from baseline to endline. There was a corresponding 4.3 percent decline in percentage of households who were somehow able to cope or faced no problems. Overall, in case of new youth households, it can be said that ability of households to meet expenses has stayed the same or decreased marginally. This can also be because of increase in inflation from baseline to endline stage and with incomes not growing proportionately, they purchasing power of households will decline with time. There is marginal increase in households with lot of problems in meeting expenses across all three districts. Similarly there is a marginal decline in the number of households that were somehow able to cope with expenses, and a marginal increase in the households with no difficulty in meeting monthly expenses. Comparing both the categories of respondents, it seems that the New Youth Groups were better off as compared to the Carry Over groups during the baseline, suggesting that they were prpbably not that economically vulnerable to begin with than their senior Carry Over groups and have continued that trend.

FGD respondents from Sri Mariyamman Group (New Youth) in Cuddalore said that their household situation had improved to some extent. However, based on a general analysis of responses from this group it can be surmised that members have used their savings and loans from VSL groups to pay off old debts, as well as to incur enhanced expenditure on areas such as children’s education, and healthcare services for family members. A trend towards increase in the number of expense heads and growing expenditure can be seen.

## 4.3 Food Security and Agriculture

### 4.3.1 Harvest

Carry over households moved away from agriculture to other economic activities from baseline to endline stage. Households that produced enough food grains and other agricultural crops to meet their own requirement declined marginally from 129 to 121 for the carry over group, while the percentage of non-farm households increased by 10 percentage points from baseline to endline survey.

Figures 48 and 49 give a district wise overview of the food sufficiency for farm and non-farm households from carry over and new youth groups. Both baseline and endline data is presented in the charts for the sake of comparison.

Figure 49: Food Sufficiency from Harvest (New Youth)

Figure 48: Food Sufficiency from Harvest (Carry Over)

Out of 211 households in the new youth group, 62 were engaged in agriculture during baseline stage, this number had declined to 46 households during endline evaluation. In case of new youth group households, farm households with sufficient food production increased by nearly 7 percentage points from baseline to endline. A corresponding increase was noticed in the percentage of non-farm households, whereas the percentage of farm households who could not harvest enough to meet their own requirements declined by about 14 percentage points from baseline to endline. It would be safe to assume that new youth households who could not harvest enough for their own food requirements were either able to increase their farm yields, or moved away from farming.

Out of 645 households from carry over group, 197 were engaged in farming during baseline stage, this number had declined to 132 during endline evaluation. Households that were able to meet their food requirements from their own harvest declined marginally from 129 to 121, while there was a greater decline in households that could not meet their food requirements from harvest. This points towards a migration from farming towards non-farm economic activities from baseline to endline stage. The trend is hardly surprising, as a similar migration away from farming can be seen at the national level also. This is largely because of progressively shrinking size of land holdings and sub-optimal returns from small scale agriculture. In case of both Kanchipuram and Cuddalore, very few households were reported to be dependent on agriculture as a primary source of household income.

From new youth group households in Nagapattinam 38 were unable to produce enough to meet their domestic food requirements, and 97.4 percent of those couldn’t produce enough to last even a month.

### 4.3.2 Food Consumption

A large percentage of both carry over and new youth households were able to meet their food requirements. During baseline stage 6.4 percent of carry over households and 3.8 percent new youth households had to go without food for more than a day; the corresponding figures for endline stage were 6.7 percent for carry over and 11.4 percent for new youth households. Research suggests that most of these households are low income households, we have already seen in section 4.2.1 that a majority of the respondent households are below poverty line. The alarming aspect is that the percentage of households that went without food for at least a day increased from baseline to endline for both carry over and new youth households despite the fact that there has been an overall improvement in the other indicators of well-being like greater investments in education, health and food consumed. Figures 50 and 51 below show the district wise baseline endline comparison of food consumption for carry over and new youth households respectively.

Figure 51: Went Hungry for at least a day (New Youth)

Figure 50: Went Hungry for at least a day (Carry Over)

41 households from the carry over group and 8 from new youth had reported experiencing hunger for at least a day during baseline survey. This figure went up to 43 carry over households and 24 new youth households during endline stage. On a positive note, the percentage of carry over households reporting having three meals a day went up by 5 percentage points from 88.7 percent during baseline to 92.7 percent during endline survey. In case of new youth households the increase in percentage of households having three meals a day was more noticeable from nearly 70 percent during baseline to over 90 percent during endline. *Since other indicators suggest an overall improvement in the quality of life, the figures reported on hunger seems to either have been misunderstood either during the baseline or the endline by the respondents.*

# 5. Descriptive Statistics on VSLA Members

## 5.1 Socio-economic characteristics of the members

### 5.1.1 Basics Characteristics

Figure 53: Marital Status of the Member

Figure 52: Age of the VSL Member

Figure 52 above shows the age classification of VSL members covered during the endline survey, both carry over and new youth groups have members over 40 years of age. In case of carry over the percentage of members older than 40 is greater at 43.3 percent, the corresponding figure for new youth group is 27 percent. New youth group has younger members with carry over group having both mean and median age of 40 years and new youth group having mean age 36 years, and median age 35 years. 227 out of 645 (35.2 percent) of carry over members are not older than 35; corresponding figures for new youth members are 118 out of 211 (55.9 percent).

Most members across both groups are married, in carry over group more than four fifths of the members were married during the baseline stage, and this figure had not changed at the endline stage. In case of new youth members the share of married members has marginally increased from baseline to endline by 2 percentage points. Figure 53 above shows the baseline endline comparison of marital status of members for both carry over and new youth members. This is in accordance with the national average where 84 percent females between the ages 20-64 were married. In the state of Tamil Nadu 79.3 percent females in the age group of 20-64 were married according to data from Census of India 2011.

During baseline stage, 14.4 percent of the carry over members and 27.5 percent of the new youth members were not employed. Out of the 93 carry over members who reported “No Occupation” during baseline stage 37 were still unemployed at the endline stage, 56 others had found some vocation from baseline to endline. During endline evaluation 147 carry over group members reported being unemployed, of these 37 were unemployed, 43 were agricultural labourers or seasonally engaged in farming/animal husbandry/dairy, 9 were casual labourers, 10 were engaged in domestic work, 24 reported their occupation as “Other”, 9 were self-employed, 6 were employed in their family business, and remaining 9 were engaged in petty trade/handicrafts/studies/retirement during baseline study. As can be seen from the data above, there has been considerable cross migration from unemployed to employed category and vice versa. Most significantly those engaged in agriculture or animal husbandry/dairy industry shifted their occupation from baseline to endline. This is also borne out by other data points on farming and agricultural production presented in the previous chapter.

Figure 54: Occupation of Member (Carry Over)

Figure 55: Occupation of Member (New Youth)

For both carry over and new youth members there has been a noticeable decline in the percentage share of farm workers and marked increase in the share of casual labourers. The trend is more positive in case of New Youth where the proportion of respondents reporting no occupation has remained the same while there has been a greater employment in more stable/paying sectors like formal and non-formal sectors, petty trade, In case of Carry Over, the only silver lining is that a greater number of women are now reporting engagement in petty trade, handicraft making and employment in non-formal sector and other occupations. Overall, the New Youth group members seem to have benefitted more in the intervening period as compared to those who have been associated with BoC since a longer time.

### 5.1.2 VSLA Involvement

VSLA involvement of members has been covered in the corresponding section in the previous chapter on household statistics. Hence we opted to not report the same statistics again in the current chapter. Here we explore the reasons for dropout, if any, given by the respondents during baseline and endline survey. In the carry over group, out of 645 members interviewed, 597 were still active members of their respective groups, 40 had dropped out, 6 had joined another VSLA group and 2 had moved out of their respective villages. In the new youth group, out of 211 members, 206 were still active and 5 had dropped out.

Figure 56: Reasons for Drop Out

Since the dropout members were not willing to participate in FGD, the reasons for dropout were discussed with SHG members and BoC field staff. Most of the SHG members and BoC field staff have closely interacted with dropout members at some point in time. The top reasons for dropout, as cited by SHG members and BoC field staff, corresponding to the above provided alternatives are as follows:

|  |  |
| --- | --- |
| **According to SHG Members during FGD** | **According to BoC NGO Field Staff** |
| Lack of trust among group members/Internal conflicts | Group leadership problem |
| No concrete results | Unable to save |
| Group leadership problem | No concrete result |
| Not satisfied with the group | Opposition from family members/husband |

### 5.1.3 Education and Literacy

Figure 59: Level of Education (New Youth)

Figure 58: Level of Education (Carry Over)

Figures 58 and 59 above show the highest educational qualification achieved by the members from carry over and new youth groups respectively. The share of members with university education is higher in case of new youth members, at nearly 12 percent compared to 5 percent for carry over group members. It can be inferred from the charts above that educational qualifications of new youth members are overall better than those from carry over group with nearly 44 percent having achieved secondary or higher education in new youth group compared to 29 percent in carry over group. This also goes with the trends in previous section which show that the achievements of New Youth group member have been in terms of assets, occupation, financial stability have been better than those of their carry over counterparts.

### 5.1.4 Child Rights

India is a party to the UN declaration on the Rights of the Child 1959. Accordingly, the country adopted a National Policy on Children in 2013. The National Policy on Children 2013 places great emphasis on children’s right to life, health, and nutrition in addition to children’s development, education, protection, and participation. All the three partner NGOs have child development programs and have worked on building awareness on child rights through other programs.

Figure 60: Awareness of Child Rights

Figure 60 shows the baseline endline comparison for child rights awareness amongst VSL members for both carry over and new youth members. While the percentage of members who recognize specific rights of children has decreased from baseline to endline stage for both carry over and new youth groups, the recognition for various rights has increased. During baseline, an overwhelming 95 percent of VSL members who reported awareness of child rights recognized the right to education, whereas other rights had little or no recall. During endline stage the awareness of other rights of children apart from education has gone up. It is however paradoxical that the overall number of members claiming awareness of overall child rights has declined from baseline to endline. We believe that this could be due to some over reporting of results during the baseline phase or due to poor recall. It is important to reiterate the distinction of the responses here - while the percentage of members who recognized that children generally have rights of their own has decreased, awareness regarding what specific rights should children enjoy has increased. This is more evident in the graphs presented below.

With the BoC intervention, the awareness on specific rights of child has surely increased. Figures 61 and 62 below show the baseline endline comparison of awareness level of VSL members with respect to specific rights of children, and level of recognition of rights other than education. Right to Education however, remains the most recognized right from baseline to endline.

Across both groups there was a better awareness about children’s right to play, to protection, to food and health, though the members were most aware about their right to education. Apart from the project led initiatives, this could also be attributed to the greater awareness about the national legislation on Right to Education (RTE) which makes access to education compulsory for all children in the age-group 6-14 years.

Figure 61: Awareness of Specific Rights of Children (Carry Over)

Figure 62: Awareness of Specific Rights of Children (New Youth)

### 5.1.5 Occupation

Occupation of members has already been discussed under section 5.1.1 of this report.

### 5.1.6 Business Activities

The percentage of respondents engaged in business activities showed an increase for both carry over and new youth groups from baseline stage to endline. In case of carry over group, share of members engaged in business increased by 33.3 percentage points from 6.5 percent to 39.8 percent. In case of new youth group, the corresponding increase was of nearly 32 percent. This shows that the BoC intervention, especially loans on easy terms available to members have enabled them to start their own business activities. Being part of a group, and being able to access finances on low interest rates has enabled members to grow in confidence and encouraged them to invest in diverse income generating activities. This aspect has also been brought out by members’ responses to FGD questions on income generating activities.

Figure 63: Type of Business Activity (Carry Over)

Comparing this with the findings on employment, we see that while employment had decreased from baseline to endline, majority of those who were unemployed at baseline have been able to find jobs/vocation. This is occurring in parallel to fresh unemployment which is being created within the same group members, mainly due to people moving away from agriculture/casual labour. The favourite business activity for women of both carry over and New youth groups is dairying and livestock rearing apart from tailoring and flower vending- which are largely home-based activities that don’t require full-time engagement.

Nearly two-thirds of respondents engaged in business activities from carry over group and over half from new youth group reported having invested additional money into their business over the past one year. , There is no direct measure of this in the present MIS. However, this is indirectly reflected by the increase in credit linkages and loans over the project period. This is also indirectly reflected by the increase in number of trainees in enterprise skills development programs. One direct indicator for this is the number of youth directly linked with banks for enterprise credit, which has increased over time.

This goes to show that VSL members are taking their business seriously and learning to nurture their economic activities either through infusion of additional capital or for meeting their working capital requirements such that it can help augment their household’s income if not become the main source of income for their household.

Figure 64: Type of Business Activity (New Youth)

Figure 63 and 64 shows the nature of business activity conducted by carry over and new youth group members respectively.

97.4 percent of businesses run by carry over group members and 96 percent of businesses run by new youth members reported having earned profits in the past one year. However, record keeping practices have not matured for either carry over or new youth members. Only 26 percent of carry over and 11 percent of new youth members reported having kept regular records of their business transactions during endline stage. 88 percent carry over members and 75 percent new youth members who recorded their transactions updated their business records at least once a week. This is also in alignment with the pre and post assessment data on enterprise skills development. Since they are already in business, it is easy for them to adopt this practice as they see value for this with less or no investment of money.

**Responses from Focus Group Discussions:**

Veeramal, a member of Udai Ayanar SHG said that she has bought a cow from the loan and is planning to open a small dairy. Her confidence has improved immensely due to the awareness and knowledge she got after getting associated with the BoC group.

Ramya, a member of Batrakali Amman Maharajothi Sriaviran SHG from Nagapattinam said that she has received training on small-scale business activities such as spinning, tailoring, chocolate making, candle making etc. She also said that through easy term loans with low interest rate from the group they are able to meet their medical expenses. She also added that her confidence level has improved and now goes to bank alone to withdraw money. Moreover, she said that from her savings, she has bought a cow and a goat and is making sufficient income by selling the milk. She has also purchased a sewing machine from her savings and plans to also start tailoring soon.

Thilgawathi, a member of the same group said that she has attended training on scope of business, while Vasaki, also a member of the same group said that she has learnt the process of taking loans and banking. Banumathi, from the same SHG added that she has understood the importance of money, now she has opened a shop and is leading an economically independent life. However Savitri also from the same group has a complaint that the wanted training on tailoring skills but never received it.

Udi Ayannar SHG members from Nagapattinam said that some of them have flower plucking and selling business which is seasonal. The loan amount helped them purchase better flowers from other pluckers and sell them in bulk. This has led to additional income and better margins. The flower sellers utilized the amount in purchase of chemicals to be sprayed on the flowers for longer shelf-life. Some SHG members of Vasanthargam said that they invested this amount in their existing hotel business while some others shared that they invested in their existing wood business.

S. Chitra of Srimariyamman SHG from Cuddalore said that she invested the loan which she availed from her group in developing her hotel and now she is making more profit out of this business. Kavitha a member of the same SHG said that she has bought a sewing machine after joining SHG.

K. Rani of Vasantharagam SHG of Nagapattinam said that took the easy loan with low interest to buy/lease agricultural land and is now practising agriculture. Gandhimathi of Manja Madha SHG from Nagapattinam said she will save money for the future; for children’s marriage; to buy more cows and goat and support her family from the income which she gets by selling cow and goat milk.

Santhiravalli of Udai Ayyanar SHG said that she wanted to have more savings so as to avail the low interest loan to buy additional goat, sheep and cow for her milk business.

Before joining the group M. Shanthi of Minal SHG from Nagapattinam had only one cow. She has already expanded her herd and says that now she wanted to invest more in her dairy business to keep it rolling throughout the year and ensure a regular income.

### 5.1.7 Control Over Own Resources

Control over own resources has been discussed under section 4.2.4 of the previous chapter.

## 5.3 Investments and Household Support

### 5.3.1 Assets Purchased

During the endline survey, 187 members from the carry over group and 68 from the new youth group reported having personally purchased assets in the past one year. 52.4 percent of carry over members and 57.4 percent of new youth members reported having purchased assets for their business / income generation.

The charts below plot the main occupation of members against nature of asset (productive asset / consumption asset) purchased by carry over and new youth members.

Figure 65A: Asset Purchased in Past One Year based on occupation (Carry Over)

Figure 65B: Asset Purchased in Past One Year based on occupation (New Youth)

Most assets (productive and consumption) have been purchased by agriculture workers in both categories of groups followed by the unemployed. In case of Carry Over groups most productive assets have been purchased by agricultural workers, unemployed, casual labourers and petty traders while in case of New Youth they have been purchased by agricultural workers, unemployed, those engaged in livestock rearing and students. The data seems to defy normal logic which says that those engaged in some enterprise would have a higher tendency to purchase productive assets to scale operations or improve efficiency of the enterprise. Across both groups all employment categories which should have invested in productive assets- petty traders, self-employed, pastoralists and farmers – have purchased consumption assets.

The table below shows the baseline endline comparison for different categories of assets purchased by carry over and new youth members. Cell values indicate number of members who reported having purchased a particular category of asset.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Asset Type | Carry Over | | New Youth | |
| **Baseline** | **Endline** | **Baseline** | **Endline** |
| Productive Asset | | | | |
| Livestock | 9 (1.4 percent) | 89 (13.8 percent) | 7 (3.32 percent) | 33 (15.6 percent) |
| Means of Transport | 1 (0.16 percent) | 18 (2.8 percent) | 4 (1.9 percent) | 3 (1.4 percent) |
| Agricultural Tools / Material / Equipment | 0 (0 percent) | 8 (1.2 percent) | 2 (0.95 percent) | 4 (1.9 percent) |
| Land | 7 (1.1 percent) | 9 (1.4 percent) | 3 (1.4 percent) | 8 (3.8 percent) |
| Consumption Asset | | | | |
| Electronics | 0 (0 percent) | 10 (1.6 percent) | 1 (0.47 percent) | 2 (0.9 percent) |
| Jewellery | 8 (1.2 percent) | 49 (7.6 percent) | 8 (3.8 percent) | 16 (7.6 percent) |
| Household Furniture | 10 (1.6 percent) | 19 (3 percent) | 5 (2.4 percent) | 14 (6.6 percent) |
| Mobile Phone | 9 (1.4 percent) | 47 (7.3 percent) | 15 (7.1 percent) | 17 (8.1 percent) |
| Kitchen Ware | 7 (1.1 percent) | 21 (3.3 percent) | 3 (1.4 percent) | 8 (3.8 percent) |
| Others | 4 (0.6 percent) | 1 (0.16 percent) | 0 (0 percent) | 2 (0.9 percent) |

Livestock seems to be the favourite productive asset while Jewellery and mobile phone is favoured among consumption assets by both Carry Over and New Youth groups.

### 5.3.2 Contributions to Rent

Figure 66B: Contribution to Rent (New Youth)

Figure 66A: Contribution to Rent (Carry Over)

During baseline phase, 32 carry over households and 4 new youth households were renting their dwelling units. This figure increased to 55 carry over households and 23 new youth households during endline survey. 11 out of 32 carry over members who rented their dwelling units during baseline phase contributed to rent, corresponding figure for new youth members was 2 members out of 4 during baseline. During endline stage 26 out of 55 carry over members renting their dwelling units contributed to rent. 7 out of 23 new youth members renting dwelling units contributed to rent during endline survey.

### 5.3.3 Housing Improvements

Figure 68: Contribution to Housing - Improvement (New Youth)

Figure 67: Contribution to Housing - Improvement (Carry Over)

VSL members’ contribution to dwelling repairs and other improvements to housing increased from baseline stage to endline stage for both carry over and new youth households. The increase in contribution by members (in percentage terms) was more noticeable for new youth members as compared to carry over members. The contribution made by VSL members towards housing improvement has been given in the table below. Cell values represent number of members who made a contribution of a particular amount.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contribution Amount | Carry Over | | New Youth | |
| Baseline | Endline | Baseline | Endline |
| Up to 2500 | 34 (5.3 percent) | 17 (2.7 percent) | 8 (3.8 percent) | 5 (2.4 percent) |
| 2501-5000 | 16 (2.5 percent) | 49 (7.6 percent) | 1 (0.5 percent) | 14 (6.6 percent) |
| 5001-10000 | 7 (1.1 percent) | 30 (4.7 percent) | 2 (0.95 percent) | 16 (7.6 percent) |
| 10001-50000 | 15 (2.3 percent) | 58 (9 percent) | 6 (2.8 percent) | 8 (3.8 percent) |
| 50001-Above | 2 (0.3 percent) | 9 (1.4 percent) | 0 (0 percent) | 4 (1.9 percent) |
| Don’t Know | 44 (6.8 percent) | 0 (0 percent) | 1 (0.5 percent) | 0 (0 percent) |

Sakunthala of Sengapoo SHG from Nagapattinam said that she contributed to building the pucca terrace for her house, while Indhumathi of Thangatharagai SHG from Nagapattinam said that she got her house toilet constructed from the loan she took from the group.

Likewise, KalaiSelvi of Namco Valarpirai SHG from Nagapattinam said that she took loan to get her house constructed and from the remaining balance she had taken some piece of land on lease to cultivate rice and is able to make additional income from it.

### 5.3.4 Expenditure on Education

During baseline stage, 41.1 percent of carry over group members and 46.9 percent of new youth members spent on education for their family members. At endline stage the corresponding figures were 47.6 percent for carry over members and 46.9 percent in case of new youth VSL members, showing a marginal increase in case of former and constant value in case of latter.

The table below shows the amount spent by VSL members on the education of their family members.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contribution Amount | Carry Over | | New Youth | |
| Baseline | Endline | Baseline | Endline |
| Up to 5000 | 61 (9.6 percent) | 109 (16.9 percent) | 29 (13.7 percent) | 33 (15.6 percent) |
| 5001-25,000 | 63 (9.8 percent) | 99 (15.4 percent) | 11 (5.2 percent) | 36 (17 percent) |
| 25,001-50,000 | 26 (4 percent) | 54 (8.4 percent) | 1 (0.5 percent) | 18 (8.5 percent) |
| 50,001-1,00,000 | 7 (1.1 percent) | 25 (3.9 percent) | 2 (0.95 percent) | 7 (3.3 percent) |
| Above 1,00,000 | 2 (0.3 percent) | 9 (1.4 percent) | 0 (0 percent) | 1 (0.5 percent) |
| Don’t Know | 106 (16.4 percent) | 11(1.7 percent) | 56 (26.5 percent) | 4 (1.9 percent) |

Figure 60: Expenditure on Education - Self (New Youth)

Figure 69: Expenditure on Education - Self (Carry Over)

Figure 70: Expenditure on Education - (New Youth)

Figure 69: Expenditure on Education - (Carry Over)

The percentage of VSL members who spent on their own education in the past one year declined from baseline to endline for both carry over and new youth groups. Whereas the percentage of carry over members who spent on their family members’ education increased, and for new youth members stayed the same. The noticeable aspect is that close to half of all respondents spent on their family members’ education, whereas barely 5 percent of all respondents spent on their own education. This shows that VSL members are positively contributing to their households, and spending on their family’s education, primarily of their children. This is also evident from respondents’ answers to member profile section of FGD questionnaire (section 5.2 in this report).

Chitra from Nagapattinam said that she had to support her child who is pursuing BSC Engineering and availed loans with low interest rates from the group to support her child’s education.

R Vaideki of SenkantaMalargal SHG Group from Nagapattinam said that from the group’s savings, group’s women are now contributing to and managing expenses like their children’s higher education and professional training fee independently.

### 5.3.5 Expenditure on Health

The results on health expenditure have been discussed under section 4.1.3 of the previous chapter.

### 5.3.6 Spending on Clothing

Figure 72: Expenditure on Clothing - Self (New Youth)

Figure 71: Expenditure on Clothing - Self (Carry Over)

Figures 71 and 72 above show the expenditure incurred by carry over and new youth members respectively on clothing for themselves in the past one year. As can be seen from the chart the percentage of members who reported not knowing their expenditure has drastically come down from baseline to endline. It goes to show that VSL members’ ability to keep track of their expenditure significantly improved from baseline to endline. However as the members come from low income households, their ability to spend on clothing is severely restricted, which is evident from the low annual expenditure on clothing reported by the members.

Figure 74: Expenditure on Clothing - Household (New Youth)

Figure 73: Expenditure on Clothing - Household (Carry Over)

Figures 73 and 74 above show the expenditure incurred by carry over and new youth members respectively on clothing for other members of the household in the past one year. Here too we can see that the percentage of members who reported don’t know during baseline stage has drastically declined during endline survey for both groups. Also, members from both groups have spent more on average for clothing of other members of the household than for themselves. This too goes to show that the BoC intervention has enabled VSL members to contribute positively towards meeting their critical household expenditure.

### 5.3.7 Household Events

Figure 76: Contribution - Household Events (New Youth)

Figure 75: Contribution - Household Events (Carry Over)

Figures 75 and 76 above show the baseline endline comparison of members who contributed to their household events for carry over and new youth groups respectively. For carry over group there was a marginal increase. There was a more noticeable increase in case of new youth members.

The table below shows contributions made by VSL members to their household events. Cell values show the number of members who contributed a particular amount for their family event.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contribution Amount | Carry Over | | New Youth | |
| Baseline | Endline | Baseline | Endline |
| Upto 1000 | 22 (3.4 percent) | 15 (2.3 percent) | 3 (1.4 percent) | 8 (3.8 percent) |
| 1001-3000 | 19 (2.9 percent) | 30 (4.7 percent) | 7 (3.3 percent) | 3 (1.4 percent) |
| 3001-25000 | 72 (11.2 percent) | 82 (12.7 percent) | 11 (5.2 percent) | 28 (13.3 percent) |
| 25001-50000 | 9 (1.4 percent) | 23 (3.6 percent) | 1 (0.5 percent) | 6 (2.8 percent) |
| 50001-100000 | 2 (0.3 percent) | 10 (1.6 percent) | 2 (0.95 percent) | 5 (2.4 percent) |
| Above 100000 | 4 (0.6 percent) | 15 (2.3 percent) | 0 (0 percent) | 1 (0.5 percent) |
| Don't Know | 35 (5.4 percent) | 3 (0.5 percent) | 10 (4.7 percent) | 0 (0 percent) |

**FGD Responses:**

V.Karthika of UdaiAyyanar SHG Group from Nagapattinam said that due to regular and increased savings in the group, now they are independent and do not have to borrow or avail loans in case of emergency. Karthika also said that their burden of paying heavy interest to other borrowers has considerably reduced. Moreover, her group is now earning interest by lending its saved money to others.

Almost all members of Atthipookal SHG of Kanchipuram said that members of the group have stopped taking loan from the moneylenders. They said that their group has been supporting the members on a day to day basis, even for meeting shortfalls in their household expenditure.

Jayarani of Eyyarkai Group from Cuddalore said that she availed a loan from her group to contribute to her daughter’s marriage. She said that she is happy to access financial support on such low-interest rates.

Savithri of Thendral SHG from Cuddalore said that she realised the importance of the loan in fulfilling the basic needs of her family during urgent situations such as marriages, etc.

T.Mythili of Atthipookal SHG from Kanchipuram said that she was able to meet all expenses on her daughter’s marriage from the amount she availed as a loan from her group. She was very happy about the timely and easy availability of loan on low rate of interest and was confident of repaying the loan amount in due course.

H. Veeramani of Atthippokal SHG from Kanchipuram said that since the time she joined the group she hasn’t had any financial shortages. She took loan many times from her SHG and has cleared off her past debts and also performed her daughter’s wedding using the loan facility.

In Cuddalore, Padma, a member of Sembaruthi SHG said that she spend the amount earned from the business on educational expenses of her children, medical related expenses while Kalaiarasi, a member of the same group said that she spent the amount on repaying the loan amount along with meeting educational expenses of her children. Meenambal and Sandanavalli of the same group said that they utilized the amount in their house construction, children’s education and medical expenses of their family. Some members of other SHGs have responded that they spent the profit earned as savings in their personal account in the bank while some amount in meeting household expenditures. Some members said that they invested the additional amount back into the business to expand it further.

## 5.4 FGD Participants’ Responses on Investments, Expenses, and Consumption

### 5.4.1 Income Generating Activities

**Who has a business? Who had that business before joining the (BoC) savings group?**

In Kanchipuram, Mercy Mohana, a member of Tamizhruvi SHG said that she had a business before she joined the BoC savings group. S. Nirmala and A. Sumathi of the same group said that all the members of her SHG grew interest in starting their own business. For this they learnt skills of artificial jewellery making, stitching & embroidery and tailoring. Almost everyone has contributed to either their own business or supported their husband’s/family’s business from the loan they borrowed from the group.

In Cuddalore, four out of the eight members (who participated in the qualitative discussion) of Eyyarkai SHG said that they have invested the loan amount in the business either owned by them or by their family members. But they did not share whether they had their business before or after joining the BoC savings group. Whereas members of Sembaruthi SHG (Vijaya and Sulochana) said that Vijaya took a loan to buy machine for her rice mill while Sulochana bought wood for her furniture shop. Both had their own businesses prior to getting associated with the SHG. This suggests that the loan availed from the group is being used by the members for strengthening their own business or supporting their family business. Few responses showed examples where women had started a new business and invested in it.

**From where did you/do you get money to invest in your business?**

Most of the members said that they used the loan amount which they borrowed from their respective group for their business.

**What changes have you made to the way you run your business since joining the programme? What motivated you to make those changes?**

As can be seen from the responses of SHG members cross the three districts, most said that they learnt vocational skills like tailoring, stitching, embroidery work, artificial jewellery making during the project. Using these skills now they are able to generate some income for their household. Some shared that they utilized the amount for expanding their own/family/husband’s business. This has led to a better understanding of how to utilize income among the SHG members. Most of them are able to plan and keep balance between income & savings, repayment and settlements. In many ways, the members have become financially literate.

### 5.4.2 Investments, Expenses, and Consumption

**Non-business expenses & payments**

Most of the non-business expenses include household expenses like those on events such as marriages, apart from education fees, medical expenses, house construction/repair related expenses, settling old debts among others.

R. Kolanchi Kavitha from Srimariyamman SHG from Cuddalore said that she took loan from her group to settle her old debts. Valli of Udai Ayyanar SHG from Nagapattinam said that she joined this group mainly to save some money and avail loan at lower rate of interest when there is some urgency/emergency in the family.

Mercy Mohana of Tamizhurvi SHG from Kanchipuram said that it helped her to meet day to day expenses, when she suffers a shortfall. I.Kamladevi of Chandiran SHG said that SHG has promoted a savings culture among them which could be highly useful in future especially in emergency.

H. Veeramani of Atthippokal SHG from Kanchipuram said that since she the time joined the group, she hasn’t face any financial shortage. She took loan many times from her SHG and has cleared her past debts and also performed her daughter’s wedding.

**What have you done when you faced difficulties in meeting these expenses?**

Most of the members responded that before joining the SHG, they were forced to take loans from informal sources such as money lenders, pawn brokers or chit funds at very high interest rates ranging from 60 to 300 percent annually and some still continue to take those loans

Sengapoo SHG members said that almost everyone has taken loan from outside sources. Some members have even taken loan from more than one informal source such as pawn brokers.

Sivarajalakshmi and S. Mullaiyammal of Vasantharagan SHG from Nagapattinam said that they have also taken loan from pawn brokers by keeping their jewels as collateral.

Susila of Udai Ayyanar SHG from Nagapattinam said that earlier she had to borrow money from others such as money lenders, through chit funds, and pawn brokers at exorbitant interest rates.

Geetha of UdaiAyyanar SHG from Nagapattinam said that she never believed in chit fund because everyone knows that chit fund organisers usually commit frauds once they collect money, hence she never took a loan from them. There are many people who were cheated by the chit funds.

After getting associated with SHG, they are now accessing easily available loans at lower rates to meet their needs and intent to pay off their other loans gradually.

**How, if at all, has being in the group helped you meet those expenses?**

After getting associated with the SHG, almost all members who participated in the qualitative discussion said that they have been able to meet their expenses even during emergency from the group loan and the support provided by the group members. The easy availability of group loans has encouraged them to undertake and manage both their business and household needs. Now they have even been able to save funds due to lower interest rates and some of them have even invested in long term savings products like insurance and in recurring deposits at the post office.

Mercy Mohana of Tamizhurvi SHG from Kanchipuram said that it helped her to meet day to day expenses.

## 5.5 Access to Financial Services, Financial Literacy, and Business Skills

### 5.5.1 Savings Tools

Figures 77 and 78 below, show the baseline endline comparison of savings behaviour for carry over and new youth respondents respectively. As it’s evident from the two charts, 60 percent of carryover members save through SHG while little over 65 percent of new youth members save through SHG against the baseline figures of 70 percent. Also, as it’s highlighted in the charts, around 25 percent of carry over and one fifth of new youth members reported saving in their respective government bank accounts. Average total savings of carry over and new youth members are INR 8,954/- and INR 4596/- respectively. It is interesting to note that carry over members have almost twice as much savings as new youth members.

Figure 78: Saving Instruments (New Youth)

Figure 77: Saving Instruments (Carry Over)

Pattu, a member of Manja Madha SHG from Nagapattinam said that she got information about taking loans and importance of savings due to her association with the group. Gandhimathi of the same SHG said she joined to save money for the future; for her children’s marriage; to buy a cow and goat and support her family from the income she earns by selling cow and goat milk. Dhanapakiyam, also of this SHG says that she wanted to learn how to save money, lend to others and borrowing money from the SHG to meet her needs because of which she joined the SHG.

S. Sagayamary and Nimalamary of Eyyarkai SHG from Cuddalore said that they have saved amount in their Indian Bank account credit for which lies in the regular savings habit inculcated in her through the SHG. Now she is able to contribute a higher amount to her savings account owing to higher profits and better savings habits. Earlier she had taken loan from her group to invest in her business which is now paying better.

Sandanavalli of Semburathi SHG from Cuddalore said that only when she joined the group did she became serious about saving. Earlier she never thought that savings on regular basis was important. Sulochana of the same group said that the habit of regular savings has also helped her to pay her regular instalment to the insurance cum investment plan which she has taken from LIC.

S. Saranyaand S. Chitra of Sri Mariyamman SHG from Cuddalore said that all members have their own accounts in Post Office and she has also taken an insurance cum investment plan of LIC.

H.Veeramani of Atthipookal SHG from Kanchipuram said that she now has a savings account in the bank. Some members of her SHG said that they have invested in an insurance linked savings plan , Post Office etc and have stopped borrowing from outside the group now.

I.Kamladevi of Chandiran SHG said that SHG has promoted savings culture among them which would be useful in future especially in handling financial emergencies.

Punkodi of Thangatharagai SHG from Nagapattinam said that the main objective of her joining this group was to imbibe a saving culture which the SHG promotes. Based on their saving members can avail loan at lower interest rates to meet their needs. Now she does not have to be dependent on her husband and on the contrary has supported him when he required money. Thenmolzhi of this SHG also said that she helped her husband during his crisis by taking loan from the group and has now started regular saving.

Valli of Udai Ayyanar SHG said that she joined this group mainly to save money and take low interest loan when there is an emergency in the family. Santhiravalli of the same SHG said that she also wanted have some savings to avail the low interest loan to buy goat, sheep, cow for her milk business.

Megala of Minal SHG from Nagapattinam said that after becoming part of this SHG, she can take loan whenever she needs and does not have to be dependent on her husband for every financial need.

Members shared that after getting associated with SHGs most of the women have learnt about details about deposit, withdrawal, interest rates, banking etc. Selvi of Sri Batrakali Amman, and Maharajothi of Sriarivan SHG from Nagapattinam said they joined this group as they wanted to support their children’s education through savings from their income and also with the low interest loans offered to group members.

Achamal of Namco Valarpirai SHG from Nagapattinam also said that it is easy to avail loan from the group and get help of group members when there is any urgency and need. Indurani also of the same SHG said that many of them joined due to Jeevananthan from NAMCO (NGO staff) who used to come to their village to discuss about the importance of economic empowerment, benefits of SHG, and financial benefits of group savings.

Sarojini of Sengapoo SHG from Nagapattinam said that she joined this SHG as she has no son and to be on her own she wanted to save some money which she could use during her old age.

Kaveri of Keezhavaneeyar Theru SHG from Cuddalore said that she has a savings account in Indian bank. Now she is saving some amount on regular basis in that account apart from savings with the group. Earlier she was not able to save though she thought about it many times. Once she joined the SHG, she learnt how to save on regular basis. Manju from the same group says she also has a joint bank account with her father. But now she is contributing some amount as savings in that account as well.

Sandanavalli of Semburathi SHG from Cuddalore said that only after joining the group did she become serious about saving. Earlier she never thought about regular savings . Sulochana of the same group says that the habit of regular savings has helped her to contribute her regular instalment to the insurance cum investment plan which she has taken .

### 5.5.2 Loans Availed

Figure 80: Loan Contracted (New Youth)

Figure 79: Loan Contracted (Carry Over)

Figures 79 and 80 above show the baseline and endline comparison for loans contracted by carry over and new youth members, respectively. As highlighted in the charts 79 and 80, during the endline stage 79.5 percent of carry over respondents reported having taken loans compared to 81.2 percent during baseline survey. However, there is an increase of 25 percent points in case of new youth respondents from baseline to endline. Average loan amount for carry over and new youth members were INR 26,573/- and INR 24,453/- respectively.

Figure 81: Source of Loan (Carry Over)

Figure 82: Source of Loan (New Youth)

Figures 81 and 82 above show baseline endline comparison of source of loan for carry over and new youth respondents respectively. The graph plots number of responses for a particular source of loan, out of the total number of responses- 921 at baseline, 723 at endline for carry over and 137 at baseline, 236 at endline for new youth.

As highlighted, almost all respondents under both carry over and new youth categories have reported having taken loan from Self-Help Group (SHG).The percentage of respondents in both groups who availed formal loans from the bank is still quite low. There has been a decline in loan taking from some informal sources like neighbours/relatives, chitfunds and MFIs, though borrowing from moneylenders has increased between the baseline and endline which is disturbing. it may be the case that the loan requirements of members have exceeded the total savings available with the VSL group. Average loan taken by a carry over member was INR 26,573, while their average savings was just INR 8,954 leading members to resort to other sources of lending, including moneylenders

Figure 84: Use of Loan (New Youth)

Figure 83: Use of Loan (Carry Over)

Figures 83 and 84 show the distribution of use of loans by carry over and new youth members respectively. During the endline stage, most carry over members reported using the loan amount for meeting children’s education expenses, house repairs, and medical expenses. The trend was similar for new youth members. These findings are also corroborated by responses of FGD participants given in the previous section 5.4. More than two-thirds of carry over members both at the baseline and endline stages used their loans for consumption expenditure; the trend was similar for new youth members.

All members of Thangatharagai SHG from Nagapattinam who participated in the qualitative discussion, said that earlier they use to take loan from other informal sources and that too on higher interest rates but now almost every one prefers SHG for taking easy loans with lower interest rates whenever there is urgency or need.

Kanagavalli, a member of Minnal SHG from Nagapattinam said that now, she only takes loan from this group. Sengapoo SHG members said that almost everyone has taken loan from outside sources. Some members have even taken from more than one source and mostly from informal sources such as pawn brokers.

Sivarajalakshmiand S. Mullaiyammal of Vasantharagan SHG from Nagapattinam said that they have taken loan from pawn broker by keeping their jewellery as security.

Some members of Atthipookal SHG said that they have taken savings plans and do no borrow outside the group now. All members of Thangatharagai SHG from Nagapattinam who participated in the qualitative discussion, said that earlier they use to take loan from other informal sources on high interest rates but now almost every one prefers SHG for taking easy loans with lower interest rates whenever there is urgency or need.

Susila of Udai Ayyanar SHG from Nagapattinam said that earlier she had to borrow money from others like money lenders, through chit funds, and pawn brokers at interest rates ranging from 60 to 300 percent.

### 5.5.3 Borrowing Behaviour

Figure 86: Borrowing Behaviour (New Youth)

Figure 85: Borrowing Behaviour (Carry Over)

Figures 85 and 86 above, show the responses for aspects considered by members before availing a loan for carry over and new youth respondents respectively. As can be seen from the charts, nearly 90 percent of all respondents consider the interest rate as their primary concern, followed by repayment period, their ability to repay, reputation of lender, and penalties for default. The above charts show case maturity amongst VSL group members and responsible borrowing behaviour. This aspect of the BoC intervention is also brought about by members’ responses to FGD questions. They are more comfortable with the concept of a loan and understand its various facets. As most of the borrowing happens within the VSL group itself, members are also shielded from predatory lending practices of money lenders. This increased awareness among members combined with increased borrowing from the moneylender suggests that despite being aware of the exploitative rates demanded by the latter, members still chose to seek funds from them to meet their additional resource requirements, and that the banks and other formal financial institutions/MFIs are still inaccessible to them.

### 5.5.4 Business Skills

In the carry over group, 49 members at endline had a written budget for their business as compared to 20 at the baseline stage. The corresponding figures for new youth members were 5 members at endline compared to 1 at baseline. It appears that carry over members who have been a part of the BoC programme far longer than the new youth members, have developed more mature business practices.

Several aspects of business skills have been discussed under the Business Activities section of this chapter, section 5.1.6. Figures 87 and 88 below, show the responses of carry over and new youth members respectively to elements considered by them while pricing their goods.

Figure 90: Business Considerations (New Youth)

Figure 89: Business Considerations (Carry Over)

Figure 88: Pricing Consideration (New Youth)

Figure 87: Pricing Consideration (Carry Over)

Figures 89 and 90 below show the baseline and end-line comparison of aspects considered by carry over and new youth members respectively before starting a business. As can be seen from the charts, the VSL members show greater maturity and understanding at the endline stage compared to the baseline stage for both groups. It can be inferred from the charts that their entrepreneurial aptitude has grown from baseline to endline. For instance, awareness about existing or potential market price is triggered by the enterprise skills development training, financial literacy, monthly interactions in the SHGs, cluster meetings and value chain trainings. It is also interesting to note that women respondents have now started realising that the size of the market as well as the cost of capital and interest rates are important consideration and impact the business.

Market price awareness is triggered

## 5.6 Financial Anxiety

As evidenced from the data collected and analysed during the endline evaluation, there does not seem to be any significant reduction in the financial anvxiety of the participants at the end of the intervention. There still are concerns regarding periodic shortfall in the cash flow both for business as well as for household expenditure in both the categories of groups. Very few members seem to have made a sustainable shift towards income security where they don’t have to worry about cashflow- largely in case of Carry Over group members.

On the other hand, financial anxiety of New Youth members seems to have increased from baseline to endline-either due to increase in the heads requiring spending (higher expenses related to improved quality of life) or due to new business activities that some members have started. New Youth members who constantly or frequently worried about money increased by 15 percent in this period.

Distinction was seen in perception about financial anxiety in areas where households are largely rural-agrarian and where they are into non-farm activities or employment (formal/non-formal). The latter felt themselves to be more secure in financial terms as compared to the families dependent on agriculture and agriculture labour. Due to better opportunities in the peri-urban areas as compared to rural, members living in peri-urban areas (Kanchipuram) showed improved cash flow situation as compared to those living in rural areas (Nagapattinam).

Likewise, the ability of households to meet their monthly household expenses has improved across all three districts and categories. Number of members facing many difficulties in meeting their expenses has reduced while there has been a marginal change in the number of members facing no difficulty- suggesting that acute financial vulnerabilities around lack of funds has reduced though very have achieved a financially secure position. In terms of changes between the baseline and endline Carry Over members are slightly better off in this regard as compared to the New Youth, though the latter were much better placed on financial security (less economically vulnerable) as compared to the Carry Over members during the baseline.

The essence of the FGD responses collected during the fieldwork is also in line with the above that though members are regularly saving and meeting a significant part of their household expenditure, paying-off old debts and investing in the health and eduation of their family members, increase in the savings has gone hand in hand with increased expenses, which leads to persistence of financial anxiety.

## 5.7 FGD Participants’ Responses to Access to Financial Services Section

**Why did you join the (BoC) savings group?**

Mercy Mohana of Tamizhurvi SHG from Kanchipuram said that it helped her to meet day to day expenses, while H. Veeramani of Atthippokal SHG from Kanchipuram said that since she has joined the group, she hasn’t faced any financial shortages. She took loan many times from her SHG. So due to this self help group, she cleared her past debts from informal sources and also performed her daughter’s wedding. Now she is able to earn more and save more. In the last four years she got her house constructed and now managing her household expenses and children’s education.

In terms of reasons for saving and becoming part of the group , very few women during the FGDs pointed out to the social capital that it created and the benefit that they derived from being members of a collective

*Please refer to Section 5.5.1 for more responses on the same.*

**Are any of you saving/ borrowing outside of the group? What were your reasons for accessing these other financial services?**

Very few responses were received from members during the discussion- some members accepted that they had taken some loans from the money lenders and other sources even after becoming part of the group, though the reasons for the same were not shared during the FGDs. This corroborated the findings of the quantitative assessment which showed an increase in the number of people taking loans from informal sources like moneylenders.

*Please refer to Section 5.5.2 for more responses on the same.*

**If you hadn’t joined the (BoC) savings group how you would have saved/borrowed?**

Almost all SHG members across three districts responded that earlier they were dependent on their husband or other male members of the household for their financial needs. After getting associated with the SHG, now, the culture of regular savings has been instilled in them. Now, they are able to save the mandatory amount in their group’s account. Also, some members shared that with the help of the small business set up which they have been able to start with the amount borrowed from the group, they are now also saving some money in bank and post office accounts and also invest in insurance cum investment plans .

Before joining the BoC savings group, many group members shared, though they had thought about saving money but it somehow never happened. Earlier, during emergencies, they were forced to borrow on higher rates from informal sources such as money lenders and pawn brokers by keeping valuables like their jewellery as a security. The higher interest rates compelled them to pay heavy instalments to middlemen/informal source which indirectly ate up their margins/profits. But now with low interest rates on loans from the group they are not only paying small instalments but also able to save from the existing margin/profit.

**Why have you saved/borrowed?**

As evident from the FGD responses during the qualitative discussion across three districts, most savings have been intended for securing future borrowings. According to members, they joined the group as its helps them access loans at low interest rates and meet emergency financial needs- something for which formal sources of credit do not lend money. They have become financially aware and have estimated that the greater the savings with the group, the higher is the amount that they can leverage from the banks as matching grant or loan. Once the group gets bigger loans, the members have sufficient amount to meet their business and other financial needs. Apart from its utilization in household needs like children’s education/training fee, medical expenses, construction work, some women members also shared that they have invested the amount in purchasing cattle (cow), goat, stock for their shop, sewing machine and also supported their husbands with some amount to meet their business/financial needs.

However, a higher proportion of this saving (nearly 66 percent) has gone into meeting the consumption needs of the household and very less (33 percent) has been put into productive use. Members also shared that the collective saving habit and ensuring that all members pay back their loans on time is in the collective interest of the group is beneficial for establishing the credit worthiness of the group as a whole.

**Sharing experience with friends/family about what it’s like to be in a savings group?**

Most members realise that even by saving greater amount individually they would not have been able to access finances in the manner they have been, by being members of the saving group. Apart from regular savings and access to subsidised capital, they also listed a better business sense, greater awareness and financial literacy, newly acquired vocational skills that help existing and new business and a greater role in the financial decision making within the household as some of the benefits that they have derived by being part of the savings group.

For example, Kavitha and S. Saranya of Srimariyamman SHG from Cuddalore said that earlier they did not realise the changes that were occurring within, but with time they realized that association with the SHG had instilled confidence among them, a savings culture and rise in their awareness levels. Their ability to provide financial support to their family/friends during emergency has also increased their self-confidence and respect within the circle.

In Cuddalore, all eight members of Eyyarkai SHG said that initially the family members did not support them, owing to their lack of awareness about the benefits of SHG, but later on, when they realized the positive impact that the SHG had on their personality and the accompanying financial benefits, they started supporting them. Vimala, another member of the same group said that after seeing her and the changes that it has brough tot the family, some of her relatives now want to get organized and become part of an SHG. Again in Cuddalore, thirteen members of Thendral SHG said that they share their experience of group savings regularly with their friends and relatives to motivate them to become more aware about saving, lending, borrowing, banking etc.

In Kanchipuram all ten members of Chandiran SHG shared that their family has now started supporting and encouraging them. The financial support provided during emergency situations has paved a new, respectable and stronger position for them in their family.

Again in Kanchipuram, members of Atthipookal SHG said that they have earned self-respect and are now treated well by their family members, friends, and society. Indhumathi, a member of Thangatharagai SHG from Nagapattinam said that she has earned respect among family members, especially from her husband, after she supported him financially to meet his emergency need.

In Nagapattinam, M. Shanthi of Minnal SHG shared that with the financial support she has been providing she has finally earned trust and respect from her husband after 12 years of their marriage.

Chitra, a member of the same group said that she gets full support from her daughter in law as both of them are part of two different SHGs and plan prior to taking loans to support the family.

**Before taking a loan what are the things that you consider?**

Members seem to have developed an economic sense of when and how to access loans and which is the best source of funds for their need. Factors like the ability to pay back, the duration of the loan, the interest rates, size of the instalment and the size of the loan are taken into consideration before deciding on where to take the loan from and who will be able to give that loan. It is worthwhile to note that members now carefully calculate their ability to pay back as a primary consideration before taking loans and make a distinction based on whether it’s a consumption loan- where they will have to pay back from their savings or whether it’s a productive loan- where additional income streams from the business are accounted for to calculate their paying capacity. Some members seemed more mature and shared that they will only take loans for productive purpose, which can contribute to improving their income stream.

In Nagapattinam, Malathi, a member of Minnal SHG said that she does prior calculation and ensures that she should take a loan which she should be able to pay back under any circumstance. While doing so, she takes into account the loan period, interest rate, and loan amount to derive the size of the instalment. Sarojini and Mahalakshmi of Sengapoo SHG also had similar view as that of Malathi. While Vijayakumari, a member of the same group shared that she considers the low rate of interest and due date of instalment before deciding a call for loan.

S. Chandra of Maruthi Amman SHG said that she considers loan utilization as a key determinant before deciding for a loan. If it is for any source of income or business or an investment then, she would prefer to go for a loan. Kamala of same group said that she considers the source of income from where she would be able to repay, interest rate and instalment size before taking a call for loan.

In Kanchipuram, S. Nirmala of Tamizhruvi SHG said that she considered loan utilization in one or other business or source of income to further strengthen her financial situation.

In Cuddalore, Jayarani, a member of Eyyarkai SHG said that she always decide on the source to repay the due before going for a loan from her group. Samanasemary of the same group said that she considered low rate of interest and time period prior to availing the loan. Thangapappu of Thendral SHG shared that she considered her income, size of instalment and rate of interest before deciding for a loan while Renukadevi, a member of the same group said that situation and its need like marriage, house construction etc. are the factors which she considered before applying for a loan. In Cuddalore, all seven members who participated in the qualitative discussion said that they have always considered the rate of interest, instalment and sources of income before going for a loan.

**Have any of you faced difficulties in repaying loans?**

The overall responses from the group members during the FGD revealed that paying back the loans on time and meeting the deadline for the instalment is the highest priority of members across groups. This habit seems to have been strongly inculcated among the members either through a strong training component or through a high peer pressure applied by the group as a whole. Where this practice was not embedded into the organisation, as in case of experiences shared by some drop-out members, all members stopped paying back and the group became defunct.

Even when members sometime face difficulty in paying the loan instalments, they do their best not to delay it much. Some members also seem to be proactive and try to pay back their loans earlier than scheduled by contributing a higher instalment.

In Cuddalore, R. Vedavalli, a member of Srimariyamman SHG said that there has been situation which delayed the instalment payment by a day or two. Indhumathi of Thangatharagai SHG in Nagapattinam said that she has faced some difficulties sometimes but she always tries to ensure to pay the due amount on time. While Deepa, a member of the same SHG said that she has always paid her instalments on regularly.

Vasantha, a member of ManjaMadha SHG said that she had difficulties in paying the instalment on given time sometimes but she has managed to pay on given date.

M. Kavitha, a member of Minnal SHG said that she had paid late instalment but she had paid higher amounts than that of the size of the instalment.

Ayanees Amma, a member of a dropout group, Maruthi Amman SHG, said that members of her group stopped paying their dues. So, she also stopped paying her instalments. Now her group is defunct.

**What do you consider before opening an individual or group account with a bank?**

In Cuddalore, Kavitha, a member of Srimariyamman SHG said that they received one training on how to open bank accounts etc. Samanasmery, Nimalamary, and Gloriamary of Eyyarkai SHG said that one should have ration card, voter card and Aadhar card along with introduction by an existing account holder in the bank.

All the members of Thendral SHG present during the qualitative discussion said that one needs to have ID proof, passport size photo, to open an account with a bank.

SHG members from various groups in Kanchipuram also shared that they need ID proof documents such as voter card, ration card, and Aadhar card along with a deposit of INR 500.00 and reference by an existing account holder with the bank to open an account there. Indhumathi of Thangatharagai SHG in Nagapattinam said that in her opinion one should have an ID and address proof documents such asvoter card and Aadhar card for opening an individual or group account with a nationalised bank.

Deepa of the same group said that along with voter card and Aadhar card, one also needs to have ration card for opening a bank account. Thamaraselvi of the same group said that one needs to get referenced by an existing account holder with the bank.

Kangavalli, a member of Minnal SHG said that one should have ration card, reference by an existing account holder with the bank and an initial deposit of Rs.500.00 for opening an account in the bank. Members of the Sengapoo SHG also mentioned the above documents and requirements for opening a bank account.

As can be seen from the responses above, FGD participants had a fair idea of the documentary requirements and the steps involved in opening a bank account.

## 5.8 Participation, Social Position, and Self Esteem

### 5.8.1 Socio-political Participation

Figures 91 and 92 below show the baseline endline comparison for VSL members’ participation in community/societal/political associations (other than their SHGs) for carry over and new youth members respectively. It is quite evident from the charts that members’ social participation has drastically increased from baseline to endline. This suggests that the women members have gained a higher respect in the society as a result of their association with the SHG and their economic independence and havealso developed the confidence to participate in such collectives.

Figure 92: Participation in Groups Other than VSL (New Youth)

Figure 91: Participation in Groups Other than VSL (Carry Over)

Figures 93 and 94 below show baseline endline comparison of members’ voting behaviour for carry over and new youth groups, respectively.

Figure 94: Cast Vote in Previous Election (New Youth)

Figure 93: Cast Vote in Previous Election (Carry Over)

Nearly 90 percent of both carry over and new youth members reported having made their own voting choices in the past election during both baseline and endline stages. However from both carry over and new youth groups very few members reported having voiced their opinion during a public meeting in the past one year, though a marginal increase from baseline to endline stage can be seen for both groups, 3.4 percent for carry over and 3.8 percent for new youth members.

Figures 95 and 96 below show the responses of carry over and new youth members respectively on participation in community efforts to settle disputes. Once again we can see that the participation by VSL members in this regard is quite limited.

Figure 95: Dispute Settlement (Carry Over)

Figure 96: Dispute Settlement (New Youth)

### 5.8.2 Self-Image

The table below shows members’ responses to the self-esteem and perception of their social position. Cell values represent the number of members who fall under a particular category.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Member’s Self Esteem | | | | | |
| Statement | **Status** | **Carry Over** | | **New Youth** | |
| **Baseline** | **Endline** | **Baseline** | **Endline** |
| I can resolve problems on my own | Strongly Disagree | 104 | 18 | 23 | 6 |
| Somewhat Disagree | 58 | 38 | 17 | 16 |
| Somewhat Agree | 225 | 361 | 59 | 112 |
| Strongly Agree | 258 | 228 | 112 | 77 |
| If somebody opposes me usually I can find a way to get what I want | Strongly Disagree | 97 | 76 | 41 | 17 |
| Somewhat Disagree | 86 | 69 | 19 | 32 |
| Somewhat Agree | 230 | 253 | 79 | 89 |
| Strongly Agree | 232 | 247 | 72 | 73 |
| I always find some way to deal with problems that confront me | Strongly Disagree | 64 | 19 | 23 | 6 |
| Somewhat Disagree | 88 | 63 | 28 | 29 |
| Somewhat Agree | 240 | 330 | 65 | 96 |
| Strongly Agree | 253 | 233 | 95 | 80 |
| I can influence my spouse’s decision making | Strongly Disagree | 111 | 119 | 18 | 37 |
| Somewhat Disagree | 93 | 65 | 41 | 15 |
| Somewhat Agree | 233 | 164 | 64 | 48 |
| Strongly Agree | 175 | 177 | 58 | 52 |
| I can take action to improve my life | Strongly Disagree | 78 | 15 | 23 | 7 |
| Somewhat Disagree | 113 | 84 | 28 | 19 |
| Somewhat Agree | 223 | 318 | 81 | 92 |
| Strongly Agree | 231 | 228 | 79 | 93 |
| I can influence important decisions in my community | Strongly Disagree | 170 | 47 | 32 | 19 |
| Somewhat Disagree | 124 | 128 | 21 | 44 |
| Somewhat Agree | 192 | 295 | 100 | 83 |
| Strongly Agree | 159 | 175 | 58 | 65 |
| I am confident about speaking in community meetings | Strongly Disagree | 164 | 84 | 36 | 31 |
| Somewhat Disagree | 105 | 122 | 18 | 40 |
| Somewhat Agree | 201 | 273 | 77 | 78 |
| Strongly Agree | 175 | 166 | 80 | 62 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Members’ Perception of their self esteem | | | | | |
| Statement | **Status** | **Carry Over** | | **New Youth** | |
| **Baseline** | **Endline** | **Baseline** | **Endline** |
| My spouse shows me respect | Strongly Disagree | 29 | 6 | 19 | 2 |
| Somewhat Disagree | 44 | 26 | 23 | 7 |
| Somewhat Agree | 115 | 183 | 38 | 35 |
| Strongly Agree | 424 | 310 | 101 | 109 |
| My spouse values my role in the household | Strongly Disagree | 24 | 7 | 17 | 2 |
| Somewhat Disagree | 51 | 43 | 23 | 4 |
| Somewhat Agree | 122 | 182 | 40 | 42 |
| Strongly Agree | 416 | 293 | 101 | 105 |
| Other members of the extended family show me respect | Strongly Disagree | 13 | 6 | 17 | 1 |
| Somewhat Disagree | 70 | 59 | 12 | 4 |
| Somewhat Agree | 161 | 291 | 80 | 88 |
| Strongly Agree | 401 | 289 | 102 | 118 |
| People in the community seek and value my opinion | Strongly Disagree | 64 | 10 | 18 | 2 |
| Somewhat Disagree | 109 | 69 | 29 | 8 |
| Somewhat Agree | 178 | 325 | 83 | 112 |
| Strongly Agree | 294 | 241 | 81 | 89 |
| People in the community respect me | Strongly Disagree | 58 | 10 | 19 | 0 |
| Somewhat Disagree | 103 | 61 | 22 | 12 |
| Somewhat Agree | 143 | 332 | 79 | 100 |
| Strongly Agree | 341 | 242 | 91 | 99 |

Almost all respondents across the three districts responded that their household situation as well as their stature in the community has significantly changed after they joined the VSL group. It is evident from their responses that, after getting linked with the BoC project through SHGs, they have been able to avail easy loans with low interest which they have utilized for supporting their children’s education, marriage of their daughters, construction of roofs/houses and improving their livelihood situation. On the softer side, their have become more vocal and have developed the self-confidence to voice their opinions publicly and influence community level decisions.

While one member, Renukadevi said that she had grown in confidence and now she interacts openly with other members. Meena of Keezhavaneeyar Theru SHG from Cuddalore said that she has learnt about withdrawal, deposits, use of ATM card, and information on interest rates. Like Renukadevi, Padma of Semburathi SHG and Elakiya of Keezhavaneeyar Theru SHG from Cuddalore also said that their shyness and hesitation had gone and their confidence has grown and also that they are now familiar with places and the world beyond their household.

Jayarani of Eyyarkai SHG from Cuddalore said that due to financial independence gained by joining SHG she is now treated well by her husband. Earlier her husband use to beat her, but since she has supported her husband financially he has started respecting her.

Overall response of Eyyarkai SHG from Cuddalore was that they joined mainly to save money and since then their confidence has increased. Now they independently perform banking and loaning processes functions. Confidence has enhanced so much so that now they participate in the family discussions and resolve them. There has been drastic reduction in the incidences of domestic violence as reported by the group members.

In Nagapattinam, Thenmolzhi, a member of Thangatharagai SHG said that she is very happy for being in the group and her family also supports her. In Nagapattinam, M. Shanthi of Minnal SHG shared that now she has earned trust and respect from her husband after 12 years of marriage. Chitra, from the same group said that she gets full support from her daughter in law as both of them are part of two different SHGs and coordinate to support the family. Kalaiselvi and Indirani, members of Namco Valarpirai SHG said that they feel happy about being part of SHG as they are getting better treatment and respect from their husbands. Now, husbands have more confidence on their wives.

Susila of Udai Ayyanar SHG said that she has earned greater support of her family as they trust her more. Now, her family feels that whatever she is doing is for the betterment of the family members. She is also treated differently by other inhabitants of her village and gets respect from her group members and other villagers. Senthil Kumara and Mahalakshmi of Sengapoo SHG from Nagapattinam said that since they joined the group and started contributing, their husbands have started regarding them and always support them. Sarojini, another member of this group said that her family supports her as she has contributed to their social needs like health and education.

While Vedanayagi, another member of the group said that in spite of her contribution and support to the family, her husband still beats her. Also Vijayakumari, another member of the SHG said that she got the support of her family and husband during early days when her group was getting formed but now she does not get the same treatment as earlier !!

Santha, a member of Maruthi Amman SHG said that her family supports her and even she got the amount from her husband to pay her loan instalments. Sulochana, a member of the same group said that her family and husband initially supported her when the group was getting formed but now they pass comment as her group has become defunct.

## 5.9 FGD Participants’ Responses to Civil Society Participation, Confidence, and Influence Section

**Perception of Members before and after joining the group**

Many members felt that their association with the group has expanded their social circle, while a few felt that regular interaction with the group members has led to a strong social capital being developed within the group. Members discuss each others problems and counsel/ support one another in times of need.

Almost all felt that their position within the family and society as well as their financial independence has improved considerably since the time they became part of the SHG and have been prioritising themselves where they would like to put their savings and loans- for improving incomes or for investing in the long term welfare of the family by using it for the education of their children.

Indumathi and N. Saroja, members of Thangatharagai SHG from Nagapattinam said that they get to meet with all the members during their regular monthly meetings. Now the interaction and discussion has facilitated their relationship to the next level of friendship. They share and discuss with members of other groups. This has also resulted in creating healthy competition among the groups insofar as the group functioning is concerned.

Kalyani, a member of Vasantharagam SHG said that her situation has improved a lot. Now she is able to save more and meet all her expenses. While some other members of the same group, Chandra, Sivarajalakshmi, and R. Malliga said that there has been a little improvement in their life and family but still there is lot to develop.

Selvi, a member of Senkanta Malargal SHG said that she had earned some freedom. Now she can even go a bit late in the evening. R. Vaideki, member of the same group said that she has become more confident. Now she goes to any place without any hesitation. S. Punitha, a member said that there is no gender disparity in her family in terms of education or marriage between boys and girls as she is able to contribute and support them equally.

# 6. Findings and Conclusions

The BoC Phase II intervention was spread over a period of about two and a half years and was preceded by a three year project under Phase I. The present Endline Household survey was undertaken to assess the impact of Phase II interventions on a sampled set of respondents belonging to two different categories- women who had been part of the Phase I intervention and had continued to be part of Phase II interventions- Carry Over groups. These were groups which had a longer association with the project and had been saving for more than 5 years as part of their respective savings groups. The other members belonged to groups which had been formed or revived under the current phase of intervention and have been around for less than 3 years.

The idea of undertaking a comparative assessment of the two categories of groups was also to understand the differential impacts of the project on members of these two groups and whether prolonged intervention and greater intensity of support led to higher impacts among the carry over groups as compared to the New Youth groups.

The following are the major findings of this assessment, which clubs the results of the quantitative and qualitative studies undertaken by the endline assessment team, based on the evaluation tools designed globally for the project.

1. A high proportion of the members were literate when compared to the average national literacy and is in line with the high female literacy levels in the project area. Nearly 85 percent of the respondents of both carry over and new youth are literate. Out of this 55 percent either have a university degree or have a secondary education. Remaining 45 percent have only been educated upto primary levels. About 15 percent of the respondents had never attended school.
2. Nearly 90 percent of the family members in the school going age were attending school/college, suggesting an emphasis on the importance of education in these families and the willingness to spend on education- as is evidenced from the fact that nearly 26 percent family members from carry over group and 35 percent from new youth group are studying in private schools- which are costlier than government schools that offer subsidized education.
3. In terms of distribution of occupation among the family members of the respondents- more than 90 percent of members across both carry over and new youth are productively engaged either in education or gainful employment. Only 9 percent members are unemployed.
4. There was mixed response on whether members felt they had a better access to health now as compared to the past. Carry over members felt access has improved - 90 percent reported improvement during endline as compared to 80 percent during baseline. Among New Youth 86 percent felt they had better access as compared to nearly 90 percent who reported better access during the baseline.
5. There has been an increase in the medical expenses incurred on self from baseline to endline. Also, the propensity to seek health services has increased among the carry over group respondents. There was also a consistent increase in cumulative health expenditure of the entire family during this period. There was a marginal increase in health expenditure on self among New Youth group, greater contribution of members on the health expenditure of family members and a rise in the cumulative health expenditure of the family. This suggests a higher awareness on the importance of health and probably some investment in preventive health across both the categories.
6. Leadership opportunities have been created in the groups as is reflected from the fact that in case of new youth households 8.1 percent became leaders and 8.8 percent of carry over members became leaders of their respective VSL groups. This suggests that there has been a change in the leadership across several groups during Phase II intervention. This may be related to the fact that members realised that they needed more effective leaders to lead the group and hence effected a change.
7. Regarding intra-household decision, members shared that their role in decision making within the household had increased since the time of baseline among both the categories and a proportionate decrease in the influence of parents and spouses, which is a positive outcome.
8. On the indicator related to economic empowerment of the members, increase in freedom to spend income from their business was reported by members of both groups, slightly higher by the New Youth respondents. The number of members reporting greater freedom nearly doubled since the baseline in both groups. The same trend was observed in the role of women on food related household decisions- with those reporting a high role increasing by 15 percentage points among carry over and a three-fold increase in those reporting high role among new youth respondents.
9. A large number of respondents reported having progressed out of poverty. Only 3.8 percent carry over and 3.3 percent new youth still being under $1.25 per day poverty line. However this trend seems to stop here. In the higher income thresholds- $1.88 and $ 2.25, there has been a decline since the baseline which is difficult to explain.
10. While attribution for poverty reduction role of the project is difficult to establish, especially in light of other anti-poverty strategies being implemented by governments, it is evident from FGD responses that the reported growth in income has contributed positively towards meeting household expenses. Increase in economic self-sufficiency of VSL members, as well as the fact that almost all members engaged in income generating activities have reported profits points towards lessening financial burden on households suggest that decline in poverty could be partly attributed to BoC interventions.
11. Overall housing conditions have also improved during the project period for most households- in terms of type of energy used, source of cooking fuel, individual toilet facility, quality of material used for walls and roofs of houses across both the categories of groups.
12. The impact of the project in terms of reducing the financial anxiety of the members seems to have been minimal. Very few members reported a positive change. For the new youth group, the financial anxiety of members who constantly or frequently worried about money increased by 14.7 percent, while there was a marginal decline in case of carry over groups. The anxiety was highest in case of respondents from rural – agrarian Nagapattinam and lowest for the peri-urban Kanchipuram district. In absolute terms, the new youth members reported lesser financial anxiety at endline as compared to their carry over counterparts. They also reported lesser problems in meeting their monthly household expenses as compared to the carry over groups across the 3 project districts. This was also corroborated during the FGDs with the respondents.
13. The percentage of households that went without food for at least a day in the past one year increased from baseline to endline for both carry over and new youth households. This is despite the fact that there has been an overall improvement in other indicators of well-being like investments in education, health and quality of food consumed.
14. 43 households from carry over group and 24 from new youth reported experiencing hunger for at least a day during endline- up from 41 and 8 respectively. On the other hand percentage of carry over households reporting having three meals a day regularly went up from 88.7 percent to 92.7 percent. Corresponding figure for new youth was from nearly 70 percent to over 90 percent during endline.
15. In terms of occupation, for both carry over and new youth members there has been a noticeable decline in percentage of farm workers and marked increase in the number of casual labourers. The trend is more positive in case of New Youth where the proportion of respondents reporting no occupation has remained the same while higher employment has been reported in stable/paying sectors like formal and non-formal employment, petty trade, In case of Carry Over, the only silver lining is that a greater number of women are now reporting engagement in petty trade, handicraft making and employment in non-formal sector and other occupations. Overall, the New Youth group members seem to have benefitted more as compared to those who have been associated with BoC since a longer time.
16. On educational attainment, new youth members are in a better position than the carry over group with nearly 44 percent having achieved secondary or higher education compared to 29 percent in carry over group. This goes with the previous trends which showed that the achievements of New Youth group member have been better in terms of assets, occupation, financial stability.
17. In terms of awareness on child rights, members had a highest recall for children’s right to education. While the percentage of members who recognized that children generally have rights of their own has decreased, awareness regarding what specific rights should children enjoy has increased since the baseline for both the categories.
18. On involvement in business activities, for carry over groups, share of members engaged in business increased from 6.5 percent to 39.8 percent and for new youth groups the increase was of 32 percentage points. This shows that the BoC intervention, especially access to loans have enabled members to start own business.
19. The favourite business activity for women of both carry over and New youth groups is dairying and livestock rearing apart from tailoring and flower vending. Nearly two-thirds of respondents engaged in business activities from carry over groups and over half from new youth groups reported having invested additional funds into their business over the past one year. The profitability of these businesses can be estimated from the fact that 97.4 percent carry over group members and 96 percent new youth members engaged in business reported having earned profits in the past one year-something which was further validated by the members during the group discussions at different locations.
20. About 52.4 percent of carry over members and 57.4 percent of new youth members reported having purchased assets for their business / income generation. Most assets (both productive and consumption) have been purchased by agriculture workers followed by the unemployed. In case of Carry Over most productive assets have been purchased by agricultural workers, unemployed and casual labourers while in case of New Youth by agricultural workers, unemployed, livestock rearers and students. This seems to defy normal logic which says that those engaged in some enterprise would have a higher tendency to purchase productive assets. Another contradiction is that across both groups all employment categories which should have invested in productive assets- petty traders, self-employed, pastoralists and farmers – have actually purchased consumption assets. Segregated by asset type nearly two thirds of the assets purchased during the past one year have been for consumption and only one-third for productive purposes. The most favoured asset being livestock, jewellery and mobile phone.
21. Members have been contributing to the house rent and repair across categories, though far less for repair. With the exception of new youth members which saw a steep decline in their contribution to house rent since the baseline (20 percentage points).
22. Spending on self seems to have decreased across both the categories of groups- with women spending lesser on their education and clothing and an increase in their cumulative spending on clothing for the household.
23. In terms of savings habit, 60 percent of carry over members save through SHG while 67 percent new youth members save through the SHG. Around 25 percent carry over and 20 percent of new youth members also saved in their bank accounts.
24. The average savings of carry over and new youth members were INR 8,954/- and INR 4596/- respectively- carry over members have almost twice as much savings as that of new youth members probably since they have been saving for more than 5 years now.
25. Nearly 80 percent carry over respondents and 76 percent new youth had currently taken a loan - with the average loan per carry over and new youth members being INR 26,573/- and INR 24,453/- respectively. Most of these loans were either taken from the group or bank, though in some cases other informal sources like moneylender and friends/family were also reported. These could either be old loans still not settled or those taken afresh to fulfil credit needs that cannot be addressed by the group/bank. For both the groups the loan amount was primarily used on children’s education, house repairs, and for medical expenses.
26. There is better financial literacy and better business sense among the women. Nearly 90 percent respondents consider the interest rate as their primary concern, followed by repayment period, their ability to repay, reputation of lender, and penalties for default as the criteria for availing loans. They showed better awareness on the elements to be factored for determining the price of their goods and consider potential customers, market size, cost of capital and skills as important pre-conditions for starting a business.
27. Social and political participation across both categories of groups has significantly increased since the beginning of the project- number of respondents admitting higher participation increased from 27 and 17 percent to 90 and 92 percent, respectively, among carry over and new youth during endline. This is accompanied by an improvement in the self-esteem of the respondents for both the categories.

1. Urban Poverty Report 2009, Ministry of Housing and Urban Poverty Alleviation, Government of India [↑](#footnote-ref-2)
2. Trainings on five different training modules was provided to the women SHG members on Governance, Leadership, Conflict Resolution, Advocacy and Development Planning. [↑](#footnote-ref-3)